

THE
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume II, 1934

(17th February to 10th March, 1934)

SEVENTH SESSION

OF THE

**FOURTH LEGISLATIVE ASSEMBLY,
1934**



NEW DELHI
GOVERNMENT OF INDIA PRESS
1934.

Legislative Assembly.

President:

THE HONOURABLE SIR SHANMUKHAM CHETTY, K.C.I.E.

Deputy President:

MR. ABDUL MATIN CHAUDHURY, M.L.A.

Panel of Chairmen:

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

MR. K. C. NEOGY, M.L.A.

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

MR. N. M. JOSHI, M.L.A.

Secretary:

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

Assistant of the Secretary:

RAI BAHADUR D. DUTT.

Marshal:

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

Committee on Public Petitions:

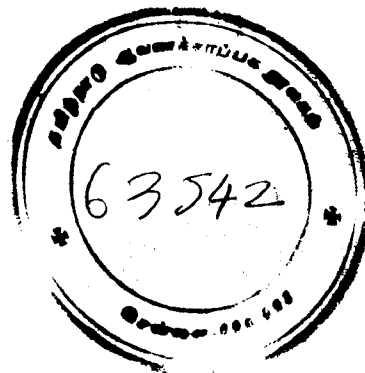
MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman.*

MR. K. C. NEOGY, M.L.A.

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

MR. T. R. PHOOKUN, M.L.A.

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



D,
12.31 N34
N34-2

CONTENTS.

VOLUME II.—17th February to 10th March, 1934.

	PAGES.		PAGES.
SATURDAY, 17TH FEBRUARY, 1934—		FRIDAY, 23RD FEBRUARY, 1934—	
Messages from the Council of State	979	The Railway Budget—List of Demands— <i>contd.</i>	1219—73
Presentation of the Railway Budget for 1934-35	979—86	Demand No. 1—Railway Board— <i>contd.</i>	1219—73
MONDAY, 19TH FEBRUARY, 1934—		Importance of Road-Rail Co-ordination and of the Organisation of Communication Boards throughout the country	1219—39
Member Sworn	987	Maladministration of the Railway Board	1239—53
Questions and Answers	987—96	Muslim Representation in Railway Services	1253—73
Unstarred Questions and Answers	996—1001	Statement of Business	1273—74
Statements laid on the Table	1001—05	Appendix	1275
The Railway Budget—General Discussion	1005—64		
WEDNESDAY, 21ST FEBRUARY, 1934—		SATURDAY, 24TH FEBRUARY, 1934—	
Questions and Answers	1065—91	Questions and Answers	1277—97
Short Notice Question and Answer	1091—93	Unstarred Questions and Answers	1297—1302
Unstarred Questions and Answers	1093—96	The Railway Budget—List of Demands— <i>concl'd.</i>	1302—64
Message from the Council of State	1096	Demand No. 1—Railway Board— <i>concl'd.</i>	1302—61
The Railway Budget—List of Demands	1096—1156	Unreasonable Rates	1302—40
Demand No. 1—Railway Board	1097—1156	System of Appeals	1340—59
Passengers' Amenities	1097—1118	Condition of State Railway Press Employees	1359—61
Statutory Railway Board	1118—56	First Class Railway Station for Cuttack	1361
THURSDAY, 22ND FEBRUARY, 1934—		Demand No. 2—Audit	1361
The Railway Budget—List of Demands— <i>contd.</i>	1157—1217	Demand No. 3—Miscellaneous Expenditure	1361
Demand No. 1—Railway Board— <i>contd.</i>	1157—1217	Demand No. 4—Refunds	1362
Statutory Railway Board— <i>concl'd.</i>	1157—96	Demand No. 5—Payments to Indian States and Companies	1362
Indianisation of the Railway Services	1194—1217	Demand No. 6-A.—Working Expenses—Maintenance of Structural Works	1362
		Demand No. 6-B.—Working Expenses—Maintenance and Supply of Locomotive Power	1362

PAGES.	PAGES.
SATURDAY, 24TH FEBRUARY 1934—contd.	MONDAY, 26TH FEBRUARY 1934—contd.
Demand No. 6-C—Working Expenses—Maintenance of Carriage and Wagon Stock 1362	The Wheat Import Duty (Extending) Bill—Passed. 1400—23
Demand No. 6-D—Working Expenses—Maintenance of Ferry Steamers and Harbours 1363	The Steel and Wire Industries Protection (Extending) Bill Passed 1423—33
Demand No. 6-E—Working Expenses—Expenses of Traffic Department 1363	The Indian Medical Council (Amendment) Bill—Passed 1433
Demand No. 6-F—Working Expenses—Expenses of General Departments 1363	TUESDAY, 27TH FEBRUARY, 1934—
Demand No. 6-G—Working Expenses—Miscellaneous Expenses 1363	The Factories Bill—Presentation of the Report of the Select Committee 1435
Demand No. 6-H—Working Expenses—Electric Service Department 1363	Election of the Standing Committee for the Department of Education, Health and Lands 1435—36
Demand No. 7—Working Expenses—Appropriation to Depreciation Fund 1364	Demands for Supplementary Grants in respect of Railways 1436—49
Demand No. 8—Interest Charges 1364	The Indian Navy (Discipline) Bill—Circulated 1449—87
Demand No. 9—Temporary Withdrawals from Depreciation Fund 1364	Presentation of the Budget for 1934-35 1488—1538
Demand No. 11—New Construction 1364	The Indian Finance Bill—Introduced 1538
Demand No. 12—Open Line Works 1364	FRIDAY, 2ND MARCH, 1934—
MONDAY, 26TH FEBRUARY 1934	Members Sworn 1539
Member Sworn 1365	Questions and Answers 1539—56
Questions and Answers 1365—86	General Discussion of the General Budget 1556—1612
Unstarred Questions and Answers 1386—88	SATURDAY, 3RD MARCH, 1934—
Statements laid on the Table 1388—96	Questions and Answers 1613—16
The Negotiable Instruments (Amendment) Bill—Presentation of the Report of the Select Committee 1397	Unstarred Questions and Answers 1616—35
The Salt Additional Import Duty (Extending) Bill—Introduced 1397	General Discussion of the General Budget 1635—89
The Trade Disputes (Extending) Bill—Introduced 1397—98	TUESDAY, 6TH MARCH, 1934—
The Cotton Textile Industry Protection (Amendment) Bill—Introduced and Passed 1398—99	Questions and Answers 1691—1723
The Reserve Bank of India Bill—Amendments made by the Council of State agreed to 1399—1400	Unstarred Questions and Answers 1723—35
	Election of the Standing Committee for the Department of Education, Health and Lands 1736
	The General Budget—List of Demands 1736—85
	Demand No. 39—Army Department 1736—67
	Retrenchment in Defence Expenditure and Military Policy 1736—67
	Demand No. 28—Executive Council 1767—85
	Federal Finance 1767—85

PAGES.	PAGES.
WEDNESDAY, 7TH MARCH 1934—	FRIDAY, 9TH MARCH, 1934—contd.
Questions and Answers 1787—92	Demand No. 19-A.—Excise 1954
Message from the Council of State 1793	Demand No. 20—Stamps 1954
The General Budget—List of Demands—contd. 1793—1845	Demand No. 21.—Forest 1954
Demand No. 28—Executive Council—contd. 1793—1845	Demand No. 22—Irrigation (including Working Expenses), Navigation, Embankment and Drainage works 1954
Reorganisation of the Public Services under the proposed Federal Constitution 1793—1821	Demand No. 23—Indian Posts and Telegraphs Department (including Working Expenses)—Paucity of Muslims in the services 1955—75
Necessity of Expediting the Constitutional Reforms 1821—45	Paucity of Muslims in the Services 1955—75
THURSDAY, 8TH MARCH, 1934—	SATURDAY, 10TH MARCH, 1934—
Message from the Council of State 1847	Questions and Answers 1977—83
The General Budget—List of Demands—contd. 1847—1903	Unstarred Questions and Answers 1983—93
Demand No. 28—Executive Council—contd. 1847—1903	The General Budget—List of Demands—contd. 1993—2072
Planned Economy 1847—1903	Demand No. 23—Indian Posts and Telegraphs Department (including Working Expenses)—contd. 1993—2058
Statement of Business 1903—04	Compensatory Allowance for Lower Division Clerks and Sorters 1993—96
FRIDAY, 9TH MARCH, 1934—	Retrenchment Policy adopted in the Posts and Telegraphs Department 1996—2035
Questions and Answers 1907—14	Condition of the Extra Departmental Agents 2035—40
The General Budget—List of Demands—contd. 1915—75	Selection Grade Posts 2040—46
Demand No. 16—Customs 1915—49	Grievances of Railway Mail Service Employees 2046—50
Absence of Oriyas in the Customs Department 1917—19	Protest against the Appointment of the Postal Committee 2050—55
Status and Salary of Assistant Preventive Officers at Madras 1919—23	Measures of Earthquake Relief for Postal and Railway Mail Service Staff in North Bihar 2055—57
Grievances of the Hindus of Sind in the Customs Department 1923—49	Wynad Allowances 2057
Demand No. 17—Taxes on Income 1949—54	Demand No. 25—Interest on debt and Reduction or avoidance of Debt 2058
Paucity of Oriyas in the Bihar and Orissa Income-tax Department 1950	Demand No. 26—Interest on Miscellaneous Obligations 2058
Hearing of Appeals on Assessment by the same officers and not by Independent Judicial Officers 1951	
Arbitrary Assessment by Income-tax Officers 1951—52	
Policy of the Income-tax Department 1953	
Demand No. 18—Salt 1954	
Demand No. 19—Opium 1954	

SATURDAY, 10TH MARCH, 1934— <i>contd.</i>	PAGES.	SATURDAY, 10TH MARCH, 1934— <i>contd.</i>	PAGES.
Demand No. 27—Staff, Household and Allowances of the Governor-General	2058	Demand No. 55—Other Scientific Departments	2063
Demand No. 29—Council of State	2058	Demand No. 56—Education	2063
Demand No. 30—Legislative Assembly and Legislative Assembly Department	2059	Demand No. 57—Medical Services	2063
Demand No. 31—Foreign and Political Department	2059	Demand No. 58—Public Health	2063
Demand No. 32—Home Department	2059	Demand No. 59—Agriculture	2064
Demand No. 33—Public Service Commission	2059	Demand No. 60—Imperial Council of Agricultural Research Department	2064
Demand No. 34—Legislative Department	2059	Demand No. 61—Civil Veterinary Services	2064
Demand No. 35—Department of Education, Health and Lands	2060	Demand No. 62—Industries	2064
Demand No. 36—Finance Department	2060	Demand No. 63—Aviation	2064
Demand No. 38—Commerce Department	2060	Demand No. 64—Commercial Intelligence and Statistics	2064
Demand No. 40—Department of Industries and Labour	2060	Demand No. 65—Census	2065
Demand No. 41—Central Board of Revenue	2060	Demand No. 66—Emigration—Internal	2065
Demand No. 42—Payments to Provincial Governments on account of Administration of Agency Subjects	2061	Demand No. 67—Emigration—External	2065
Demand No. 43—Audit	2061	Demand No. 68—Joint Stock Companies	2065
Demand No. 44—Administration of Justice	2061	Demand No. 69—Miscellaneous Departments	2065
Demand No. 45—Police	2061	Demand No. 70—Indian Stores Department	2065
Demand No. 46—Ports and Pilotage	2061	Demand No. 71—Currency	2066
Demand No. 47—Lighthouses and Lightships	2062	Demand No. 72—Mint	2066
Demand No. 48—Survey of India	2062	Demand No. 73—Civil Works	2066
Demand No. 49—Meteorology	2062	Demand No. 74—Superannuation Allowances and Pensions	2066
Demand No. 50—Geological Survey	2062	Demand No. 75—Stationery and Printing	2066
Demand No. 51—Botanical Survey	2062	Demand No. 76—Miscellaneous	2067
Demand No. 52—Zoological Survey	2062	Demand No. 76-A.—Expenditure on Retrenched Personnel charged to Revenue	2067
Demand No. 53—Archæology	2063	Demand No. 76-B.—Miscellaneous Adjustments between the Central and Provincial Governments	2067
Demand No. 54—Mines	2063		

SATURDAY, 10TH MARCH 1934— <i>contd.</i>	PAGES.	SATURDAY, 10TH MARCH 1934— <i>contd.</i>	PAGES.
Demand No. 77—Refunds	2067	Demand No. 90—Irrigation	2070
Demand No. 79—Baluchistan	2067	Demand No. 91—Indian Posts and Telegraphs	2070
Demand No. 80—Delhi	2068	Demand No. 93—Capital Outlay on Currency Note Press	2070
Demand No. 81—Ajmer-Merwara	2068	Demand No. 94—Capital Outlay on Vizagapatam Harbour	2070
Demand No. 82—Andamans and Nicobar Islands	2068	Demand No. 95—Capital Outlay on Lighthouses and Lightships	2071
Demand No. 83—Rajputana	2068	Demand No. 96—Commuted Value of Pensions	2071
Demand No. 84—Central India	2068	Demand No. 96-A.—Expenditure on Retrenched Personnel charged to Capital	2071
Demand No. 85—Hyderabad	2069	Demand No. 97—Delhi Capital Outlay	2071
Demand No. 85-A.—Aden	2069	Demand No. 98—Interest-free Advances	2071
Demand No. 86—Expenditure in England—Secretary of State for India	2069	Demand No. 99—Loans and Advances bearing Interest	2072
Demand No. 87—Expenditure in England—High Commissioner for India,	2069		
Demand No. 88—Capital Outlay on Security Printing	2069		
Demand No. 89—Forest Capital Outlay	2070		

LEGISLATIVE ASSEMBLY.

Saturday, 17th February, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MESSAGES FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, two Messages have been received from the Council of State. The first Message runs thus:

"Sir, I am directed to inform you that the Bill to constitute a Reserve Bank of India, which was passed by the Legislative Assembly at its meeting held on the 22nd December, 1933, was passed by the Council of State at its meeting held on the 16th February, 1934, with the following amendments, namely:

1. In sub-clause (1) of clause 1 for the figures "1933" the figures "1934" were substituted.

2. In the proviso to sub-clause (c) of clause 2 for the word "society" where it last occurs the word "bank" was substituted.

3. In sub-clause (3) of clause 14 for the words "five shares shall have one vote and on poll being demanded each shareholder so registered as having more than five shares" the following words were substituted, namely—

"five or more shares shall have one vote and on a poll being demanded each shareholder so registered".

4. In sub-clause (4) of clause 15 for the word "registers" where it first occurs the word "register" was substituted.

5. In sub-clause (2) of clause 48 for the figures "44" the figures "47" were substituted.

6. In the Third Schedule for the figures "1933" wherever they occur the figures "1934" were substituted.

7. In the Fifth Schedule for the figures "1933" the figures "1934" were substituted.

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

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

The second Message is as follows:

"Sir, I am directed to inform you that the Council of State has, at its meeting held on the 16th February, 1934, agreed without any amendments to the Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 31st January, 1934."

RAILWAY BUDGET FOR 1934-35.

The Honourable Sir Joseph Bore (Member for Commerce and Railways): Sir, when presenting my first Railway Budget to the House last year, I ventured with some diffidence to suggest that, though the encircling economic gloom showed no tangible sign of lightening, yet indications were not wanting

[Sir Joseph Bhore.]

that we had plumbed the depths of the depression which had overtaken us in common with the rest of the world. Even that guarded opinion was in some quarters regarded as unwarranted by anything more substantial than a facile optimism, and doubts were freely cast on the wisdom of budgeting for so substantial an increase in our earnings for the current year. Though our estimate of receipts for the year may not eventually be reached, it is a matter for some gratification to find that our anticipations of improvement have been substantially justified and that our earnings up-to-date show a material advance over those for the corresponding period of the previous year.

2. Following custom, I will first refer to changes in form before dealing with matters of substance. Very important changes have been made in the forms of demands placed in the hands of Honourable Members, but the limits of a budget speech preclude any detailed description, or explanation, of these changes despite their undoubted interest and importance. One of the major changes concerns the form in which the demands for grants have been recast. These demands are now in the form in which the accounts of railways are kept, and the change has been made in order to facilitate control of expenditure. This change has not only the general approval of the Auditor-General, but has been considered in detail by two committees of this House, viz., the Public Accounts Committee and the Standing Finance Committee for Railways which were unanimous in recommending its adoption.

3. Another important change in the form of our estimates has been caused by the decision to include in them the receipts and expenditure of lines belonging to private companies or Indian States, but worked by our State Railway Systems for a percentage of the gross earnings. This change in procedure follows a recommendation made by Sir Arthur Dickinson and approved by the Standing Finance Committee for Railways. The practice hitherto followed was to deduct both the receipts and expenditure of these lines from the total receipts and expenditure of the system by which they were administered. This procedure, as pointed out by Sir Arthur Dickinson, is fundamentally wrong in principle as the officials of a railway system are engaged in operating all the lines comprising that system, including these worked portions, and the statistics and accounts should properly be based on the total receipts and expenditure of the entire system. As a result of the change, the receipts of the worked lines will, from 1934-35 onwards, be added to the receipts of the State owned lines, and out of the total the Legislature will be asked to vote the gross expenditure for working the railway system as a whole including the worked lines. The Legislature will also be asked to vote the sums which will be handed over to the owners of these lines as the share of the earnings which, under contract, the working agency is required to hand over to them after retaining the percentage fixed in the contract.

To Honourable Members who would like to know in greater detail the reasons for the changes adopted, I would commend a perusal of the Financial Commissioner's Review of the appropriation accounts of Railways for 1931-32 which discusses the question very fully.

It is perhaps difficult to realise, when perusing the papers that will shortly be in the hands of Honourable Members, how great has been the labour involved in preparing the budget in the new form, and I should like to add a word of acknowledgment of the untiring and devoted labours of the Superintendent and staff of the Budget Branch of the Railway Board who have literally worked night and day to ensure that these statements would be ready in time and in as accurate a form as possible.

I also take this opportunity of paying a tribute to the members of the Standing Finance Committee for Railways who have, as always, been assiduous in their duty of scrutinising in detail the estimates of railway expenditure but have had a harder task than usual owing to the radical alterations in the demands made this year. From the reports of the Committee's proceedings which have been prepared in greater detail in accordance with the general wish expressed in this House last year and the large number of memoranda on the estimates which the Members have had to examine in detail, the House will realise the nature and extent of the work which this Committee has had to attend to.

4. It is now superfluous, I am sure, to remind Honourable Members of the advantages of the practice that they have generally followed in recent years of indicating, when giving notices of reductions in demands, the questions which they intend to raise. It enables Government members to supply the House with fuller information on the points raised than would otherwise be possible.

Financial results of 1932-33.

5. Before I go on to deal with the estimates for 1933-34 and 1934-35 which it is my main business to-day to explain to the House, I ought, in order to present a more complete picture, to refer briefly to the results of the year 1932-33, full details of which are available in the Railway Board's report which has recently been published. When I presented the railway budget last year, I anticipated a deficit during 1932-33 of 9½ crores. The actual loss due entirely to a fall in traffic receipts was unfortunately larger. The total loss of 10½ crores was met by a temporary loan from the depreciation fund which, after this transaction, was left with an actual balance of just over 12 crores. The total loans made from the fund to cover deficits amounted at the end of the year to 14½ crores.

Revised estimates for 1933-34.

6. We budgeted for an income during the current year from all sources of 89½ crores and for a total expenditure including depreciation, of just over 64 crores, which would have brought our net revenue to nearly 25½ crores. We now anticipate that our receipts will bring us in 88½ crores instead of 89½ crores, while our expenditure will remain at about the anticipated figure, thus bringing our net traffic receipts to 24½ crores. As our interest charges will amount to 32½ crores, the deficiency for the year will aggregate 7½ crores including the loss of 2 crores on strategic lines, and this will be met again by a temporary loan from the Depreciation Fund, which will now show a balance at the end of the year of 11½ crores, as against 12 crores at the beginning of the year. These are the bare figures, and a brief comment on them may be of some assistance in realising their significance. It is a matter for gratification that our anticipations of an increase in our traffic receipts have in a large measure been fulfilled. The traffic in 1933-34 has been well above the previous year, though we may not be able to reach our original estimates. But though our revised estimate of receipts is half a crore below the figure of last year, it is over 2 crores or 2½ per cent. higher than the figure of last year. It is noteworthy that our goods earnings during the current year are now expected to be nearly 3½ crores, or about 6 per cent. above our earnings in 1932-33. The fact that the increase in traffic has been general and has not been confined to any particular commodity is, I venture to think, of considerable significance as affording

[Sir Joseph Bhole.]

some sign of the beginning of a general revival of trade. But for a serious fall in our passenger earnings, we should have had a still better tale to tell of the results of the year. Our passenger earnings are now expected to be about a crore, or nearly 4 per cent., below what we earned in 1932-33. Railways are taking various steps to deal with this situation. On most railways efforts are being made to recover traffic by quoting specially reduced return fares between particular stations and by introducing extra services. We are also trying an important experiment on the North Western Railway on the possibilities of large scale reductions in 3rd class passenger fares. Revised third class fares were introduced over that system with effect from 1st December 1933. These revisions include a reduction in the previous basis of charge of half a pie per mile for distances up to 50 miles and of a quarter pie per mile for distances from 51 to 300 miles and an increase of half a pie per mile for distances over 300 miles. The general effect of the revised basis of charge is a reduction of fares up to distances of 460 miles and a small increase of fares for distances over that figure. The magnitude of this experiment can be realised from the fact that, if no increase of traffic results, it is expected to lead to a loss in earnings of about 45 lakhs. It is, however, an experiment worth making, for it may well be productive of results of real value in determining our future policy in this matter. It is too early to pronounce on the results, but there are indications that traffic is responding, though as yet insufficiently, to the stimulus of our revised rates. We have found that during the first 8 weeks of the period in which these have been in force, the number of passengers increased by 6 per cent. though the earnings fell by 6 per cent. There are, however, indications of further improvement, and the future course of traffic under this experiment will be followed with interest.

Turning to our working expenses, these are not expected to differ very much from our budget estimate. But for the fact that we have had during this year disasters of unparalleled magnitude to meet, they would in all probability have been slightly lower than our original estimate. During the year, however, two railways in particular have suffered heavily from the effects of the earthquake. Particulars of the extent of the damage and of the cost of repairing or reconstructing buildings, bridges and track that have been affected are still scanty. From such information as we have received at present, however, it appears likely that the damage will amount to over three quarters of a crore and may well reach a crore. Fortune has dealt hardly with us in another matter. Once again have the unchained forces of nature proved the limitations of human skill, science and experience. In September last the sudden action of the river Ganges in flood caused a considerable breach in one of the protective works of the Hardinge Bridge on the Eastern Bengal Railway, popularly known as the Sara Bridge. We can only be thankful that the damage was no worse and did not go far enough to cause any immediate danger to the safety of the bridge. But we have had a sufficiently serious warning to compel us to incur the expenditure of very large sums of money in strengthening and extending the protection and training works connected with the bridge. Here again the total cost is estimated to be well over a crore and might possibly reach a crore and a half. At the same time, we have had to sanction extra expenditure in order to be ready with other alternative means of communication in case the worst happens and if, during the course of the next monsoon, the safety of the bridge is seriously threatened.

Of the total expenditure involved in repairs and reconstruction necessary in these two cases, a considerable amount is an addition to our assets and correctly chargeable to capital, but an amount of between a crore and a crore

and a half of rupees would in the ordinary course have been charged to revenue during this year and the next and possibly the year after. After careful consideration and with the concurrence of the Standing Finance Committee for Railways, we have come to the conclusion that, in all the circumstances, it is reasonable and proper not to debit expenditure of this nature to current revenues during such a short period as 2 or 3 years but to distribute it in instalments over a longer period. We, therefore, propose to debit the whole expenditure initially to the Depreciation Fund and repay it out of revenue in annual instalments of 15 lakhs a year till complete repayment is made, which, we hope, will not take more than ten years.

Against the deterioration in our traffic receipts we have to set off a welcome fall in our interest charges owing to a reduction in the rate of interest due to the lower rates at which Government have been able to borrow during the year. These factors have balanced each other and our present anticipation is that the final results will, as stated, show an aggregate deficiency of 7½ crores, including the usual loss of about 2 crores on strategic lines. This is in accordance with our anticipations at the beginning of the year, and the loss will be met by a temporary loan from the depreciation fund.

Budget estimate for 1934-35.

7. Stated briefly and, in order to facilitate comparison, neglecting for the moment the effect of the inclusion of the receipts and expenditure of worked lines in our estimates for 1934-35, we estimate our total receipts from State lines next year at 91½ crores and our total expenditure including depreciation at 64½ crores. With our interest charges estimated at 32 crores, the total deficiency should be approximately 5½ crores. A loan of this amount from the Depreciation Fund would leave that fund in credit to the extent of 11½ crores at the end of the year, as compared with 11½ crores at the beginning of the year. We think we shall not be unduly optimistic in estimating, for next year, an increase in traffic receipts to the extent of 2½ crores, an improvement of 3 per cent. on our figures for this year. The steady upward trend in our goods earnings this year justifies us, we believe, in the hope that at last we are fairly on the road to recovery, though it would be rash to anticipate any rapid progress as yet along that road.

We expect our working expenses to be a little higher than during the current year. Our ordinary working expenses have been steadily reduced from year to year since our traffic began to drop, but the major retrenchments have all been effected, and to the extent that reductions represented merely a postponement of expenditure, the time is soon coming, if it has not already come, when it would be unwise and indeed unsafe to postpone it any longer. The most hopeful prospects of reducing expenditure still further seem to us at present to lie in the results of the detailed job analyses now being conducted by the special temporary organisation we have set up on various railways on the advice of Mr. Pope. The possible savings may be small individually, but we have no doubt that in the aggregate they will amount to something substantial. Apart from this, we expect a fall in gratuities payable to railway staff which have been abnormally high during the last few years on account of our retrenchment of staff. If traffic continues to improve, as we hope it will, no further block retrenchments should be necessary.

The total increase in our working expenses we place in the neighbourhood of a quarter of a crore, and this is mainly the result of the normal increments earned by staff on time-scales of pay. It will be offset by a further diminution in interest charges on account of the average rate of interest being

[Sir Joseph Bhore.]

expected to be still lower. In the result, we expect our total deficiency to be reduced to $5\frac{1}{4}$ crores, or very nearly $2\frac{1}{2}$ crores below the figure for the current year.

8. In presenting the budget estimates for the current year, I ventured to lay some emphasis on what I held to be the undeniable strength and soundness of the financial position of Indian railways notwithstanding the deficits that have been experienced since 1931-32. The results of 1933-34, so far as we know them at present, have, if anything, confirmed me in that view. Taking the period of eleven years beginning from 1924-25 and ending 1934-35, we find that the first six years were a period of prosperity and the following five years have been otherwise. The crescendo of deficits began in 1930-31 with 5 crores, grew to $9\frac{1}{4}$ crores in 1931-32 and reached its height in 1932-33 with a figure of $10\frac{1}{4}$ crores. We hope that that constitutes the peak, for we expect our deficit to be $7\frac{1}{4}$ crores in 1933-34 and about $5\frac{1}{4}$ crores in 1934-35. A naked statement of these deficits is, however, calculated to give an entirely inaccurate impression of the real financial position. I will endeavour to convey what I think is a more correct picture by stating the financial position of the past three years from a somewhat different angle. Taking our commercial lines alone for the present, it will be seen that even in 1932-33, which may be regarded as the worst year during this period, our net revenue from all sources amounted to $23\frac{1}{4}$ crores and during that year we put by to the depreciation reserve a sum of $7\frac{1}{4}$ crores more than we actually required to withdraw for our current expenditure on renewals and replacements. Even in the worst year of this dark period it will thus be seen that our earnings only fell short by one crore, of the amount, viz., $31\frac{1}{4}$ crores, required to pay the full interest on the Capital at charge. In the following two years, viz., 1933-34 and 1934-35, our estimate of net revenue from all sources is $25\frac{1}{4}$ and $27\frac{1}{4}$ crores respectively. If payments to the depreciation reserve were confined to what was needed to meet our urgent and necessary requirements, our net revenue in each of these two years would be over 32 crores and would exceed the sum necessary for our interest charges on commercial lines by a crore and a half.

Including strategic lines, against our deficits amounting to 13 crores in the two years referred to, must be set the additional appropriations amounting to $12\frac{1}{4}$ crores that we are making to the depreciation account after meeting not only all the normal expenditure on renewals and replacements debitable to the fund during these years, but very heavy abnormal expenditure of $1\frac{1}{4}$ crores to repair earthquake damages and the damages to the Hardinge Bridge caused by the vagaries of the Ganges. These figures, I hope, afford ample justification for the opinion I have expressed as to the intrinsic strength of the financial position of the Indian Railways.

9. Some comment is necessary on our programme of works expenditure for 1934-35 which, though less ambitious than the programmes which Railways were accustomed to in the pre-depression days, is still considerably more extensive than those of the last two years. We propose a total expenditure of just over 14 crores, of which we expect to find three quarters of a crore by a further reduction in stores balances. Except one small new line of five miles, costing 3 lakhs on the South Indian Railway, to which we are committed as part of the arrangements made when the Tanjore District Board Railway was transferred to Government some years ago, the small expenditure of 11 lakhs provided is merely to complete lines started long ago. There are a few projects, like the Bombay Sind Connection and the Pollachi-Vananturai line

in South India, the prospects of which are under examination, but our examination has not yet reached a stage at which we can arrive at a definite conclusion in regard to their remunerativeness. We have not, therefore, felt justified in asking the Assembly to provide funds for them. We hope to complete our examination in the course of the next few months. If we find that these projects are likely to be remunerative under present conditions of cheap money and low prices of material and desire to start construction during the next working season, we shall take steps to place our proposals before the Standing Finance Committee for Railways and ask the Assembly for the requisite additional grant. As regards open line works, our programme includes $4\frac{1}{4}$ crores for track renewals, and $3\frac{1}{4}$ crores for rolling stock in addition to $1\frac{1}{4}$ crores for works in progress. The amount provided for new works is under $4\frac{1}{4}$ crores. Of this, a sum of about $1\frac{1}{2}$ crores is required for repairs and additions to the protection works of the Hardinge Bridge to which I have already referred and for repairing earthquake damages. As I have mentioned, it is our intention not to charge directly to current revenues any expenditure on these items, but to debit initially to the depreciation fund whatever is not chargeable to capital, and repay this amount from revenue by annual instalments of 15 lakhs. Another item of importance is the remodelling of part of the Jamalpur Workshops on the East Indian Railway where, as a measure of economy and efficiency, it was intended to concentrate heavy repairs to engines. This was originally initiated as a remunerative project, but it has since been rendered imperative by the demolition of some of the existing shops by the recent earthquake.

That completes the financial picture which I have to present to the House. If it is not as bright as we might have wished, it might easily have been much darker.

10. I will now pass, before I close, to one or two matters of general interest on which Honourable Members will, I am sure, expect some observations from me.

There is, I believe, much misapprehension as to the attitude of the railways towards those competitive forms of transport which have of recent years been making inroads into their traffic. Speaking for Indian Railways generally, I would like to combat any impression that they desire to maintain, at any cost and by any means, a monopolistic position from which to exploit the public. True, they cannot be expected to welcome unequal competition with open arms, but they recognise its inevitability and appreciate the fact that they must meet it largely by better and more attractive service. But what in the interests of the country they are chiefly concerned with, is the elimination of wasteful competition and the utilisation of the available resources of the State to the best possible advantage of the public. It is obviously, for instance, in the public interest that such limited funds as there are should be spent on opening up unopened tracts rather than on duplicating existing lines of communication. With the object of exchanging ideas, the Government of India convened at Simla in April last a Conference which the representatives of Local Governments, of Railways, and of certain unofficial organisations, were invited to attend. This Conference discussed, and agreed to, some eight Resolutions, framed with the intention of securing the greater co-ordination of transport, the better control of public motor services and the more scientific and economic development and planning of roads. These Resolutions were not of course binding on the parties to the Conference, but as a result of some useful discussions, I feel sure that the representatives of Local Governments who attended came to appreciate how closely the prosperity of the country is bound up with that of its railway system. The Government of India are now

[Sir Joseph Bhole.]

in correspondence with the Local Governments on these resolutions and have every reason to hope that a beginning has been made in attracting the serious attention of the various authorities concerned to a problem which has been found so difficult of solution in other parts of the world and in securing recognition of the fact that it can only be successfully attacked through co-operation between the various administrative units that under the existing system of Government have control over the different parts of this complex problem.

11. I have no doubt that, during the course of the next week, opportunities will be available and will be freely utilised by Honourable Members to give expression to their views on what must be regarded as a matter of first importance to the future administration of Railways in India, the proposed Statutory Railway Authority. Today it is only necessary for me to express our warm appreciation of the spirit in which the members of the Committee which considered this question in London approached their task and of the contribution made towards the solution of this difficult problem by their report.

It will be observed that we have not yet embarked on the investigation which I foreshadowed last year in connection with our Depreciation Fund procedure. This is not due to any change in the perspective in which we view this question, or in our opinion of its importance. But, after a very full preliminary examination, we came to the conclusion that it might well be left for investigation concurrently with other important financial questions which must be settled in connection with the future changes in the administration of Indian Railways.

12. Deficit budgets are not a source of anxiety merely to Finance Members and to Governments. The Administrative Staffs of Commercial, or quasi-Commercial, Departments feel more keenly than outsiders realise, the paralysing influence of continued deficits. Retrenchment, economy and the curtailment of opportunities for development combine to produce an effect calculated to dishearten the most enthusiastic and to discourage the most stouthearted. I would like to pay my tribute to all railwaymen for the steadfastness with which they have faced the depression of the past few years. Happily we may, with some justification, hope that the clouds are at last beginning to exhibit signs of lifting. Such improvement as our revenues have shown in the current year has been persistent and well maintained. The steady enlargement of our goods traffic is an indication that trade and confidence are beginning to revive. If we have still far to go before we can reach normality, we can at least face the coming year with renewed hope and lighter hearts. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Monday, the 19th February, 1934.

LEGISLATIVE ASSEMBLY.

Monday, 19th February, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MEMBER SWORN.

Mr. Clement Preston Colvin, O.B.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

EXCISE AND IMPORT DUTIES ON KEROSENE OIL.

158. *Dr. Ziauddin Ahmad: (a) What is the excise and import duty on kerosene oil?

(b) Will Government be pleased to state the reasons for differentiation in the excise and import duties?

(c) In view of the contemplated separation of Burma from India, do Government propose to take immediate steps to equalise the excise and import duty on kerosene?

(d) Will Government be pleased to state the dividend which the companies, receiving the benefit in excise duty on petroleum, have paid during the last four years?

(e) What is the total reserve of these companies?

The Honourable Sir George Schuster: (a) The present rates of duty are: import duty three annas nine pies per gallon, excise duty two annas 9½ pies per gallon.

(b) A customs import duty of 1½ annas per gallon without any counter-vailing excise duty was originally imposed on imported kerosene for revenue purposes. In 1922 an all round tax of one anna per gallon was imposed as a further revenue measure, taking the form of an excise duty on Indian kerosene and an addition to the import duty on imported kerosene. The margin was reduced from 1½ annas to nine pies in 1930.

(c) I can see no relevance in the suggested connection between the proposal to separate Burma and any proposal to equalise the rates of import duty and excise duty.

(d) and (e). The Government are not in possession of the desired information.

Dr. Ziauddin Ahmad: In view of the fact that Government are giving protection to the home industries, is it not desirable to find out whether all of them really need it?

The Honourable Sir George Schuster: Government have given no protection to the home industry in this case any more than they have in the case of any industry which produces articles which are subject to a revenue duty.

INDO-JAPANESE TRADE AGREEMENT.

159. ***Dr. Ziauddin Ahmad:** (a) Do Government propose to give an opportunity to this House to discuss the Indo-Japanese Agreement before it is signed?

(b) Are Government prepared to give an assurance that the Agreement arrived at between the Indian Government and the Japanese Government will not be modified in London?

The Honourable Sir Joseph Bhoré: (a) The Honourable Member is referred to the Statement of Objects and Reasons relating to the Indian Tariff (Textile Protection) Amendment Bill introduced by me on the 5th February, 1934, from which it will be seen that the House will have an early opportunity of discussing the terms of the agreement in so far as it involves legislation.

(b) The Honourable Member is referred to my speech on the Adjournment Motion by Mr. B. Das on the 25th January.

FORMATION OF A PORT HAJ COMMITTEE AT CALCUTTA.

160. ***Mr. Muhammad Anwar-ul-Azim:** (a) Will Government please state if the Port Haj Committee at Calcutta has been formed? When did the election take place for the constitution of that Committee?

(b) Will Government further state whether any rules under the Port Haj Act of 1933, were framed by the Local Government in that behalf?

(c) Is it a fact that the election under that Act was to take place according to the method generally known as "single transferable vote method"?

(d) Is it a fact that the Government of Bengal did not pay any attention to this statutory requirement?

(e) Will Government please state if it is a fact that the rules were published on the 4th of December, 1933, and applications for nomination were invited by the same publication of that date? If so, will Government kindly state whether the formation of that Committee has matured, or has got yet to be gazetted?

Mr. G. S. Bajpai: (a) Yes. The elections took place on the 19th December, 1933.

(b) Yes.

(c) No.

(d) Does not arise.

(e) The reply to the first part is in the affirmative. The names of members of the Committee were published in the Calcutta Gazette Extraordinary of the 4th January, 1934.

CIRCULAR ABOUT THE SICK REPORT OF THE TRAVELLING TICKET EXAMINERS.

161. ***Dr. Ziauddin Ahmad:** (a) Has the attention of Government been drawn to the circular issued by the Divisional Superintendent, East Indian Railway, Moradabad, about the sick report of the Travelling Ticket Examiners, in which they are asked to make a forecast of their sickness, and in which the principle that sickness seldom comes suddenly is laid down?

(b) Was the Chief Medical Officer consulted?

(c) Who is the author of that circular and under whose signature was it issued?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

CONSTRUCTION OF "B" TYPE QUARTERS ON THE LADY HARDINGE ROAD, NEW DELHI.

162. ***Pandit Satyendra Nath Sen:** (a) Are Government aware that there is a proposal for constructing "B" type Government quarters on the space between the Lady Hardinge Road and the Rajabazar Square in New Delhi, so that the back of the former and the front of the latter will face each other? If so, how much space will be left between the two rows?

(b) Are Government aware that the proposed buildings will have service latrines and drains at their back portion in front of existing "E" type Government quarters?

(c) Are Government aware that the proposed construction will produce a sentiment of disgust and discomfort in the mind of the occupiers of the existing Government quarters when the clearance of nightsoil and other dirt of the proposed new quarters will be clearly visible to the inmates of the existing quarters even from their rooms?

(d) Are Government aware that the vacant space at the back is generally utilised as a depository of refuse matters and that the front is utilised as a parlour for male members?

(e) Is there any other place in New Delhi where such construction has been allowed?

The Honourable Sir Frank Noyce: (a) and (b). Yes. A space of 60 feet will be left between the two blocks of quarters, and a road passes through this space. There will be a wall sufficiently high to conceal the back of the new quarters.

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

(e) Yes.

Pandit Satyendra Nath Sen: May I know what will be the height of the proposed wall?

The Honourable Sir Frank Noyce: I can only say that the height will be sufficient to conceal the back of the new quarters.

Pandit Satyendra Nath Sen: Will the wall be a continuous one or only in places simply to hide the view of the latrines, etc.?

The Honourable Sir Frank Noyce: I shall be glad to find out and to let the Honourable Member know.

PROMOTIONS IN THE READING BRANCH OF THE GOVERNMENT OF INDIA PRESS,
NEW DELHI.

163. ***Lala Rameshwar Prasad Bagla:** (a) Is it a fact that it has recently been decided by the Controller of Printing and Stationery, India, that promotion as reader, grade I and grade II, in the Government of India Press, New Delhi, shall be made on the basis of seniority consistent with efficiency and that the efficiency of a man shall be determined in a qualifying test? If so, will Government be pleased to state why the Manager of the Press did not follow the orders of the Controller of Printing in promoting two readers to the grade of Rs. 110—8—150?

(b) Is it a fact that the Manager of the Press held a qualifying test of the copyholders and the revisers for promotion as reader, grade I, whereat he allowed purely temporary men and officiating incumbents who held no lien on any appointment? If so, why? Is it not a common practice in other Government offices, where qualifying tests are held for departmental promotion, not to allow temporary men or an officiating incumbent to sit at such test unless the man has been made permanent and has put in certain years of specific service in that department? If so, will Government be pleased to state why similar procedure was not followed in the New Delhi Government Press?

(c) Is it a fact that two temporary readers, grade I, who were promoted to readership on the result of an examination have been transferred and appointed to the permanent establishment in preference to the senior men who have since qualified in the test? If so, have Government considered why appointments to the permanent establishment should not be made on the basis of seniority when senior men have since qualified?

(d) Will Government be pleased to state whether officiating incumbents were permitted to sit at a previous similar examination in the Reading Branch held in 1929? If not, why were they allowed this time?

(e) Is it a fact that the Controller of Printing in his recent orders regarding promotions in the Reading Branch has clearly stated that if a junior man qualified himself at a qualifying test and a senior man failed, the junior man should be appointed to the grade, but if the junior man was not confirmed by the time the senior man qualified himself at the next test, the senior man should be appointed and confirmed in the said post? If so, will Government be pleased to state why the Manager did not follow the orders of the Controller of Printing when he appointed a temporary reader to the permanent establishment?

(f) Will Government be pleased to lay on the table the result of the qualifying test and the average pass-mark prescribed for the test?

(g) Is it a fact that at the examination the copyholders were required to correct proof without the author's copy? Are Government aware that they are in the habit of reading proofs following author's copy in the Press?

(h) Is it a fact that the Manager prescribed pass-marks as below?

In the proof there were 80 corrections to be carried out:

"Those candidates who carried 54 corrections, i.e., 66 per cent., will be treated as qualified; in a dictation of 70 words those having committed five mistakes or less, will be treated as qualified; no percentage was adopted in allotting marks."

If so, will Government be pleased to state on what principle the pass marks were prescribed and why the average pass marks were not prescribed and declared on or before the examination date?

(i) Will Government be pleased to state whether the dictation marks were taken to be a determining factor at the previous examination, on the result of which men were promoted to readership? If not, will men who have qualified in proof-reading, be declared as qualified for proof-reader's job, ignoring the dictation paper? If not, why not?

(j) Will Government be pleased to place on the table a statement showing the result of the last examination, held in 1929, on the basis of which men were promoted to reader's post in preference to senior copyholders and revisers, and also the names of successful candidates who were promoted to higher scales both in permanent and officiating capacities?

The Honourable Sir Frank Noyce: (a) and (e). The responsibility for these appointments rests with the Manager. I understand that he consulted the Controller, who gave certain advice, but that orders were not issued. The latter parts do not arise.

(b) I understand that such an examination was held and that both permanent and temporary copyholders and revisers were allowed to appear. I see no reason to suppose that the procedure was not calculated to secure the best candidates, and do not think it necessary to enquire into the practice in other offices.

(c) The answer to both parts is in the negative.

(d) Yes; the second part of the question does not arise.

(f) and (j). No. }

(g) The answer to the first part is in the affirmative. I am not aware of the practice in the press, but presume that reference is made to the author's copy when necessary.

(h) Yes; the percentage of error permitted was based by the Manager on what he considered might be passable in a reader. The pass marks were not declared before the examination as the candidates were expected to complete the paper.

(i) I have no information on these matters for which the Manager is responsible.

PROMOTION OF CLERKS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

164. ***Lala Rameshwar Prasad Bagla:** (a) Will Government be pleased to state the number of clerks in the Government of India Press, New Delhi, promoted on probation to the posts of assistants and upper division clerks on higher scales of pay? Do not Government want to test the proficiency of the clerks in promoting them to the higher scales? If not, why not?

(b) Will Government be pleased to state whether they are prepared to consider the matter of prescribing a qualifying test for assistant's posts among the upper division clerks who have put in at least four years' service in that scale, to increase the efficiency of the clerical staff of the Government of India Press, New Delhi?

The Honourable Sir Frank Noyce: (a) and (b). The number of clerks so promoted is seven (one as an Assistant and six as Upper Scale clerks). The answer to the latter portion of part (a) and to part (b) is in the negative. There are rules governing promotions and appointments and Government are prepared to leave the application of the rules to the officers who are charged with the duty of making the appointments.

DAMAGE TO THE GOVERNMENT OF INDIA PRESS BUILDING, NEW DELHI.

165. ***Lala Rameshwar Prasad Bagla:** (a) Is it a fact that the building of the Government of India Press, New Delhi, has been damaged so soon in many places and some parts of the building are gradually sinking to the earth? If so, will Government be pleased to state what precautions have been taken by the authorities concerned?

(b) Will Government be pleased to state the total amount spent on the erection of the Press Building, and whether the projects were all done by the initiative of the Press Manager?

The Honourable Sir Frank Noyce: (a) There has been some damage to certain parts of the building due to settlement. Such repairs as are considered necessary are being carried out.

(b) The total amount spent on the construction of the Press building was Rs. 4,90,000.

The project, as constructed, was approved by the Government of India.

SMOKE OF GAS FROM MONO-CASTING MACHINES IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

166. ***Lala Rameshwar Prasad Bagla:** Is it a fact that smoke of gas from mono-casting machines covers the whole hall of the Government of India Press, New Delhi? If so, why have such machines been installed just in the middle of the hall at the risk of lives of over 500 employees of the Press?

The Honourable Sir Frank Noyce: No: gas is not used in the press, and an exhaust arrangement approved by the Factory Inspector is installed for the extraction of fumes that may be emitted by the molten metal in the casting machines. The latter part of the question does not arise.

ROYAL CALCUTTA TURF CLUB SWEEP.

167. ***Pandit Satyendra Nath Sen:** Are Government aware that numbers or tickets for the Royal Calcutta Turf Club Sweep on the Derby are widely sold by almost all the banks and business houses of Calcutta and other parts of India and available to the public?

The Honourable Sir Harry Haig: The tickets, I understand, are issued only to members of the Club.

STOPPAGE OF THE SALE OF TICKETS OR NUMBERS FOR THE "CALCUTTA SWEEP" IN BRITAIN.

168. ***Pandit Satyendra Nath Sen:** Has the attention of Government been drawn to the notice sent round by the Home Secretary of Britain to the banks and business houses of England, stopping their sale of the tickets or numbers for the "Calcutta Sweep" in Britain, early in 1932?

The Honourable Sir Harry Haig: I have not seen the notice referred to by the Honourable Member.

SWEEPS RUN BY THE ROYAL CALCUTTA TURF CLUB.

169. ***Pandit Satyendra Nath Sen:** With reference to their reply to my supplementary questions to question No. 908 on the 13th September, 1933, will Government please state why the sweeps run by the Royal Calcutta Turf Club do not come under the provisions of the Indian Penal Code?

The Honourable Sir Harry Haig: The question whether the organization of a sweepstake comes within the provisions of section 294A of the Indian Penal Code depends on the facts. I understand that for many years past the Government of Bengal have acted on the view that the sweepstakes of the Calcutta Turf Club do not come within the provisions of the section.

Pandit Satyendra Nath Sen: May I know if the Government of Bengal are justified in taking such a view?

The Honourable Sir Harry Haig: That, Sir, depends on the facts, with which I am not fully acquainted.

Pandit Satyendra Nath Sen: Is there any difference between a private sweepstake and a public sweepstake, so far as the application of this section is concerned?

The Honourable Sir Harry Haig: I am afraid I cannot undertake a disquisition on the state of the law. The question is whether the law applies to certain facts: and, as I have said, I am not fully acquainted with the facts.

Mr. N. M. Joshi: May I ask whether this law in question is a Central law or a Provincial law?

The Honourable Sir Harry Haig: It is a law which is provincially administered.

Pandit Satyendra Nath Sen: Are Government aware that the view taken by the Calcutta High Court is that these lotteries are authorised by the Governor General in Council?

The Honourable Sir Harry Haig: No, Sir, I do not think that can be the view of the Calcutta High Court—for in fact it is not accurate.

Mr. N. M. Joshi: May I ask whether the Government of India have got any views of their own on the question of the applicability of this Central legislation, which is provincially administered, to the sweep?

The Honourable Sir Harry Haig: The Government of India are content in this matter to trust the judgment of the Government of Bengal.

Mr. S. C. Mitra: May we take it that the Government of Bengal consulted their legal officers or the Advocate General of Bengal before coming to their conclusion that it was legally allowed?

The Honourable Sir Harry Haig: I am not aware of that, Sir.

Mr. Gaya Prasad Singh: Is it not a fact that as regards the Calcutta Turf Club, there are many high European officials who are interested in that institution?

The Honourable Sir Harry Haig: I do not think, Sir, the Member in charge of the Home Department is responsible for the Calcutta Turf Club. (Laughter).

SWEEPS RUN BY THE ROYAL CALCUTTA TURF CLUB.

170. *Pandit Satyendra Nath Sen: Is it not a fact that the Royal Calcutta Turf Club is a public limited concern registered under the Companies Act and not a private body as stated by the Home Member in this House on the 13th September 1933, and carries on its sweep business under the designation of "The Royal Calcutta Turf Club Ltd."?

The Honourable Sir Harry Haig: I understand that the Royal Calcutta Turf Club is not a limited concern registered under the Indian Companies Act.

NON-PROSECUTION OF THE STATESMAN FOR GIVING PUBLICITY TO THE IRISH SWEEP.

171. *Pandit Satyendra Nath Sen: Will Government be pleased to state that while they sanctioned the prosecution of Messrs. Dhar and Sen for causing publication by selling Irish Hospitals Sweep tickets, why they have not prosecuted the *Statesman* which has given the widest publicity to the "Irish Sweep" by publishing every detail of it?

The Honourable Sir Harry Haig: The Government of India have no information of the prosecution referred to. They did not themselves sanction it, nor is their sanction to such a prosecution necessary.

Mr. N. M. Joshi: May I ask whether there is dominion preference in this matter, or empire preference?

The Honourable Sir Harry Haig: That is an interesting suggestion, but it has not previously come under my notice.

Pandit Satyendra Nath Sen: Is the Honourable Member aware that two gentlemen, Messrs. R. N. Dhar and G. C. Sen, were prosecuted for selling tickets of the Irish Sweep?

The Honourable Sir Harry Haig: As I have said, I have no information as regards the prosecution referred to.

STATEMENT MADE IN THE HOUSE OF COMMONS BY SIR HERBERT SAMUEL.

172. *Pandit Satyendra Nath Sen: Has the attention of the Government been drawn to a lengthy statement made in the House of Commons in May or June, 1932 by Sir Herbert Samuel, the then Home Secretary in Britain?

The Honourable Sir Harry Haig: I regret I have not been able to trace the statement referred to by the Honourable Member.

ORGANISATION OF LOTTERIES IN INDIA.

173. *Pandit Satyendra Nath Sen: Are Government aware that lotteries are organised in different parts of India, particularly in Calcutta, where various sweepstakes, raffles and lotteries are being run for years by European clubs and other European organisations such as Churches, etc., the most prominent among which is the Royal Calcutta Turf Club Sweep on the Derby well-known throughout the world as the "Calcutta Sweep"?

The Honourable Sir Harry Haig: It is probable that there are a certain number of lotteries which do not come within the provisions of section 294A of the Indian Penal Code.

PROTECTION TO THE WINDOW GLASS INDUSTRY.

174. *Lala Rameshwar Prasad Bagla: (a) Are Government aware that the United Provinces Glass Works, Limited, Bahjoi, is the only concern which manufactures window glass in India?

(b) Are Government aware that the factory has been running at a loss being unable to meet foreign competition, particularly from Japan?

(c) If so, will Government be pleased to state whether steps have been taken by them to save this industry from a continuous loss and possible ruin? If so, what?

The Honourable Sir Joseph Bhow: (a) Yes, Sir.

(b) Government have received representation to that effect.

(c) The case was considered in connection with the enquiry into safeguarding and the conclusion was arrived at that action under the Tariff Act recently passed was not justified.

ACTION TAKEN ON THE TARIFF BOARD'S REPORT ON GLASS INDUSTRY.

175. *Lala Rameshwar Prasad Bagla: (a) Was the Tariff Board asked to make an investigation and to report on the desirability of giving protection to the glass industry in general and window glass in particular?

(b) Was any report submitted by the Tariff Board? If so, will Government be pleased to place a copy of the same on the table?

(c) When was the report of the Tariff Board received by Government? Did Government take any action on the report?

(d) If no action has been taken, will Government be pleased to state the reasons for not taking any action?

(e) Do Government propose to take immediate steps to afford adequate protection to the industry?

The Honourable Sir Joseph Bhow: (a) The attention of the Honourable Member is invited to the Resolution of the Government of India in the Commerce Department, No. 458-T. (2), dated the 20th October, 1931, which was published in the Gazette of India of the 24th October, 1931, of which a copy is in the Library of the House.

(b) to (e). Yes, a report was submitted by the Tariff Board towards the end of March, 1932, and it is under examination by the Government of India. It is not usual to lay copies of the Tariff Board's reports on the

table, but on publication a copy is sent to each Member of the Legislature. No action can be taken by Government on the Report until its examination is completed, and this cannot be done until certain ancillary and connected matters are settled.

UNSTARRED QUESTIONS AND ANSWERS.

DEDUCTION OF PROVIDENT FUND FROM THE SALARIES OF THE CARRIAGE AND WAGON STAFF OF THE NORTH WESTERN RAILWAY.

66. Mr. Muhammad Anwar-ul-Azim: (a) Is it a fact that the Carriage and Wagon staff of the North Western Railway submitted a petition to the Agent on the 20th August, 1933, praying for the deduction of provident fund from their salaries?

(b) If so, at what decision have Government arrived?

(c) If no decision has yet been arrived at, when is the matter likely to be decided?

Mr. P. R. Rau: (a) I am informed that the Carriage and Wagon staff of two divisions of the North Western Railway submitted a memorial to the Agent in August, 1933, praying for admission to the privilege of subscribing to the State Railway Provident Fund.

(b) As I explained in reply to starred question No. 140 by Mr. Joshi on the 16th instant, Government have had to postpone consideration of the general question of admitting inferior servants to the Provident Fund benefits on account of the expenditure involved.

DEMOLITION OF ALLEGED ENCROACHMENTS OR UNAUTHORISED CONSTRUCTIONS BY THE EXECUTIVE OFFICER, AMBALA CANTONMENT BOARD.

67. Khan Bahadur Haji Wajihuddin: (a) Are Government aware that the G. O. C.-in-Chief, Northern Command in his letter No. 51651/XX (L. C. 2), dated the 18th December, 1933, wrote as follows to the Cantonment Authority, Ambala?

"The proposal (that the Executive Officer should carry out demolitions under Section 25 Cantts. Act) is an abuse of section 25. This section authorises the Executive Officer to act in emergent cases only and not to perform the normal duties and responsibilities of the Board."

(b) Is it a fact that even after receiving the above order, the Executive Officer resorted to section 25 in several cases to demolish alleged encroachments or unauthorised constructions?

(c) What action do Government propose to take against the Executive Officer to force him to apply the law rightly and not to disregard the directions of the Northern Command in this connection in future?

Mr. G. R. F. Tottenham: Information has been called for and a reply will be laid on the table in due course.

DELAY IN COMMUNICATING THE SANCTION FOR CONSTRUCTION OF BUILDINGS IN CANTONMENTS.

68. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that in their letter No. 398/R (A.D.-4), dated the 19th October, 1933, Government issued a ruling that the sanction of a building application commenced, for

purposes of section 183 of the Cantonments Act, 1924, from the date of the Cantonment authorities' sanction of that building and became operative from that date?

(b) Is it a fact that in their letter No. 484/R (A.D.-4), dated the 18th December, 1933, Government cancelled the above ruling and issued a fresh ruling to the effect that the sanction of a building application became operative from the date it was conveyed by the Cantonment Authority to the persons concerned?

(c) Are Government aware that the conveying of such a sanction is a matter entirely in the hands of the Executive Officer and that there have been instances in Ambala and other Cantonments, where the Executive Officer has failed to convey such sanctions for days and months after they were passed by the Cantonment authorities?

(d) Are Government aware that the effect of the new ruling will be the virtual nullification of such sanctions of the Cantonment Authority as are not agreed to by the Executive Officer and which he would delay in transmission?

(e) Is there any time fixed for the transmission of such sanctions by the Executive Officer? If not, do Government propose to fix it?

(f) Will Government please state the circumstances which led them to change their previous ruling of the 19th October, 1933? How are these rulings issued? Do Government consult their legal advisers before issuing the same? Were they consulted at the time of issuing the above rulings of the 19th October, 1933 and the 19th December, 1933?

(g) Are Government aware that the ruling of the 19th December, 1933, has caused great uneasiness among the people of the Cantonments?

Mr. G. R. F. Tottenham: (a) and (b). The answer is in the affirmative.

(c) The answer to the first part is in the affirmative. The Government have no reason to believe that the allegation in the second part of the question is correct.

(d) Government do not share this view.

(e) Attention is invited to sub-section (3) of section 181 of the Cantonments Act, 1924.

(f) Government always consult their legal advisers before issuing rulings on disputed points and on this point the decision was varied after reconsideration.

(g) Government have received a representation from the All-India Cantonments Association, Ambala, on the subject.

APPEALS DETAINED BY THE EXECUTIVE OFFICER, AMBALA CANTONMENT BOARD.

69. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that the Executive Officer, Ambala, stated in the meeting of the Cantonment Board held on the 31st January, 1934, that the original appeal submitted by Messrs. Bansi Lal Behari Lal to the Northern Command through the Ambala Cantonment Authority would be detained in the office and a copy thereof would be sent to the Northern Command with a copy of the Board's replies to the appeal?

(b) Will Government be pleased to state under what section of the Cantonments Act, the original appeal can be detained in the office of the Cantonment Authority whose order has been appealed against?

(c) If there is no rule to warrant such a procedure, do Government propose to issue necessary instructions to stop it in the future and to direct that the appeal detained by the Executive Officer, Ambala, be sent to the Northern Command?

Mr. G. R. F. Tottenham: Information has been called for and a reply will be laid on the table in due course.

ALLEGED INFLUENCE OF THE NORTHERN COMMAND ON THE EXECUTIVE OFFICER OF THE AMBALA CANTONMENT BOARD.

70. Khan Bahadur Haji Wajihuddin: (a) Are Government aware that in the replies sent to the Northern Command on the appeal of Messrs. Bansi Lal Behari Lal of Ambala, by the Cantonment Board, approved by the majority of the members, it is stated that the Executive Officer is under the influence of the Command and that he must carry out the Command's orders?

(b) Is it a fact that the implication of such a statement is taken to be that when an order is received from the Command, the Executive Officer has to carry it out, without laying it before the Board, irrespective of its attitude towards that order?

(c) Is it a fact that in several instances, the Executive Officer, Ambala, has carried out orders of the Northern Command addressed to the Cantonment Authority without laying the same before the Board?

(d) Are Government aware that such an action on the part of the Executive Officer is considered by the people to be in opposition to the provisions of section 24 of the Cantonments Act?

(e) Is it a fact that such an attitude is interpreted to mean that the Executive Officer is responsible to the Command and not to the Board? If so, do Government propose to issue instructions to clear the point in public interest?

Mr. G. R. F. Tottenham: Information has been called for and a reply will be laid on the table in due course.

DAMAGE DONE BY THE TANGRI FLOOD TO THE HOUSES OF THE SADDAR BAZAR, AMBALA.

71. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that considerable damage, estimated at about four lakhs, has been done by the Tangri Flood of September, 1933, to the majority of the houses of the Saddar Bazar Ambala?

(b) Are Government aware that most of this loss has been sustained by poor people and that almost the whole of Mochi Mandi has been wiped off?

(c) What relief, if any, have Government or the Cantonment Authority, Ambala, given to the poor people who have been rendered homeless and who have lost their all in the flood?

(d) What steps have Government taken to protect the Saddar Bazar from flood in the future?

(e) Is it a fact that the only remedy that Government have thought of is to separate the Saddar Bazar from the Cantonment?

(f) Is it a fact that in spite of urgent communications from the Cantonment Authority, neither the Government of India nor the Local Government have taken any preventive measure so far?

(g) Are Government aware that the next rainy season commences in June, and that if no measure is taken to stop the Tangri flood from devastating the Saddar Bazar, more serious consequences might follow?

(h) Do Government propose to take some immediate and effective measure to stop this calamity in future?

Mr. G. R. F. Tottenham: (a) Government have no information as regards the exact extent of the loss incurred by the inhabitants, but they understand that it is less than rupees one lakh.

(b) The reply to the first part is in the affirmative. As regards the second part, Government have no information.

(c) No representation has been made to Government by the people affected. They were first apprised of the position in connection with a proposal to construct a bund to divert the course of the river. The Cantonment Authority is, I believe, prepared to bear a portion of the cost of the bund.

(d) The question of erecting a protective bund has been referred to the Local Government who are mainly concerned and to whom a copy of this question and answer will also be sent. Intimation has just been received from the Punjab Government that the Financial Commissioner, Revenue, has visited Ambala and finds that a scheme for training works has been prepared and will be submitted for the scrutiny of the Superintending Engineer, Drainage Circle of the Public Works Department, Irrigation Branch.

(e) The reply is in the negative.

(f) No. As already stated in the reply to part (d), the matter has been referred to the Local Government who are taking action.

(g) and (h). Do not arise.

WATER-WORKS FOR THE SUPPLY OF WATER TO THE CIVIL POPULATION OF AMBALA.

72. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that at the pressing request of Government, the Ambala Cantonment Board have taken steps to arrange their own water-works for the supply of water to the whole or most part of the civil population residing in Ambala?

(b) Are Government aware that the Board have already sunk two tube wells, carried the electric line to the wells and constructed a large storage tank and have spent the whole of their reserve on these items?

(c) Are Government aware that the yield of water from the two wells sunk, will not exceed 15,000 gallons per hour and that if continually pumped to give adequate supply of water to the Saddar Bazar alone, the wells are likely to fail at no distant time and that this calculation is based on the past experience of wells in Ambala?

(d) Is it a fact that the Cantonment Authority of Ambala is advised to sink two more wells to make its water supply reliable and that the Cantonment Authority, having no funds for this purpose, has applied to Government for a grant of Rs. 50,000 (fifty thousand rupees)?

(e) Have Government received this application, or has it been detained at the Northern Command?

(f) Are Government aware that the Ambala case is one of great urgency and importance from the point of view of the future of the Cantonment?

(g) Is it a fact that if the Cantonment Authority's water-works succeed, the military will have a large additional supply of water amounting to about three lakhs gallons a day available for military use?

(h) Do Government propose to get the application from the Command, if not forwarded, and to give the grant applied for by Ambala Cantonment Authority, to enable that Authority to complete its water-works?

Mr. G. R. F. Tottenham: (a) Yes.

(e) No application has so far been received by Government.

As regards parts (b), (c), (d), (f), (g) and (h), I am making inquiries and a reply will be laid on the table in due course.

NOTICES SERVED UNDER CERTAIN SECTIONS OF THE CANTONMENTS ACT BY THE EXECUTIVE OFFICERS.

73. Khan Bahadur Haji Wajihuddin: (a) Has the attention of Government been drawn to an article headed 'Abuse of section 25' in the *Cantonment Advocate* for the month of December, 1933?

(b) Are the facts stated therein correct? If not, what is the Government version of the case?

(c) Is it a fact that Government have already issued instructions that section 25 of the Cantonments Act is not to be used for ordinary municipal work?

(d) Has the All-India Cantonments Association represented to Government that the use of that section for issuing notices under sections 185, 187 and 256 of the Cantonments Act, is improper and has led to the virtual supersession of the Cantonment Board by the Executive Officer?

(e) Do Government propose to take any action on the representation of the Association? If so, what?

(f) What steps do Government propose to take to stop in an effective manner the abuse of section 25 of the Cantonment Act?

Mr. G. R. F. Tottenham: (a) I have seen the article.

(b), (c) and (f). Enquiries are being made and a reply will be laid on the table in due course.

(c) and (d). The answer is in the affirmative.

ALLEGED DEFIANCE BY THE EXECUTIVE OFFICER OF THE DECISIONS MADE BY THE AMBALA CANTONMENT BOARD.

74. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that in several cases the Executive Officer, Ambala, has acted against the resolutions passed by the Board, without getting these resolutions rescinded by it?

(b) Are Government aware that while the Board ordered the tarring of certain roads in the Saddar Bazar and the material for doing the same was collected at the site, the Executive Officer stopped the work?

(c) Is it a fact that while by a specific resolution, the Board directed building plans to be sent to the Ward Members, the Executive Officer issued an Office Order not to send the plans to the Ward Members, without getting the previous resolution rescinded by the Board?

(d) Are Government aware that these acts of the Executive Officer are resented by the Board?

(e) Has all this been done under the instructions of Government? If not, what action do Government propose to take against the party concerned?

Mr. G. R. F. Tottenham: Information has been called for and a reply will be laid on the table in due course.

ACTION TAKEN BY THE AGENTS OF RAILWAYS ON CERTAIN QUESTIONS ASKED IN THE LEGISLATIVE ASSEMBLY.

75. Mr. S. G. Jog: Will Government please state the nature of action taken by the Agents of Railways on the following questions, copies of which were stated to have been sent to them?:

Starred questions Nos. 902, 903 and 909, dated the 13th September 1933, 965 of the 15th September 1933, 972, 992, 993 and 994 of the 16th September 1933, 1000, 1011, 1013, 1014, 1015, 1016, 1018 and 1019 of the 18th September 1933, 1050 of the 20th September 1933, 1183 of the 27th November 1933, 1184, 1185, 1186, 1187, 1188 and 1189 of the 28th November 1933, and unstarred questions Nos. 70, 71, 74 and 75 of the 13th September 1933, 113 of the 18th September 1933, 133, 134, 135, 136, 161 and 162 of the 20th September 1933, and 200 of the 21st November 1933.

Mr. P. R. Rau: I regret that my pre-occupations with the railway budget have not left me sufficient time to examine all these 36 questions in order to see which of them come within the terms of the ruling given by the Honourable the President on the 28th of November, 1933. As soon as I have time, I shall go through this list and shall obtain the necessary information to enable me to lay a reply on the table to such questions as come within the scope of the ruling.

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 part (c) of starred question No. 8, asked by Mr. M. Maswood Ahmad on the 24th January, 1934.

ARTISTS FOR THE MURAL DECORATION IN THE INDIA HOUSE, LONDON.

*8. (c) £619-7-6.

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

- (i) the information promised in reply to starred questions Nos. 227, 228 and 229, asked by Khan Bahadur Haji Wajihuddin on the 31st August, 1933;
- (ii) the information promised in reply to starred question No. 1842, asked by Pandit Satyendra Nath Sen on the 11th December, 1933;
- (iii) the information promised in reply to unstarred questions Nos. 39, 40, 42, 44 and 45, asked by Seth Haji Abdoola Haroon on the 11th September, 1933;
- (iv) the information promised in reply to starred question No. 1463, asked by Mr. A. Das on the 20th December, 1933;
- (v) the information promised in reply to starred question No. 91, asked by Rai Bahadur Lala Brij Kishore on the 6th February, 1934;
- (vi) the information promised in reply to starred questions Nos. 92 and 95, asked by Rai Bahadur Lala Brij Kishore on the 6th February, 1934; and
- (vii) the information promised in reply to starred question No. 99, asked by Rai Bahadur Lala Brij Kishore on the 6th February, 1934.

EXPERIMENTAL CHECK OVER THE TRAVELLING TICKET EXAMINERS' WORK ON THE EAST INDIAN RAILWAY.

*227. (a) The Railway Administration report that it was not the intention to introduce a system of super-check under the control of the Watch and Ward Department, but that, as a temporary measure, extending over a period of three months, auxiliary travelling gangs working under the supervision of the Watch and Ward Department were appointed to assist in preventing illicit travelling on the East Indian Railway.

(b) and (g). No, certain staff who were available owing to slack traffic conditions and were considered most suitable for the proposed check, were selected for the purpose.

(c) The men selected underwent a course of instruction in the duties required of them, and qualified in the same.

(d) Yes.

(e) To ensure that they are cognisant of, and efficient in, their current duties.

(f) Because a check by staff unconnected with the travelling ticket examiners was considered desirable as a temporary measure.

(h) Approximately Rs. 7,000 for the whole period.

EXPERIMENTAL CHECK OVER THE TRAVELLING TICKET EXAMINERS' WORK ON THE EAST INDIAN RAILWAY.

*228. (a) As explained in the reply to starred question No. 227, the arrangement was a temporary one, and for that purpose the Railway decided as an experimental measure to see whether the services of the Watch and Ward Department could be utilized with advantage.

(b) and (e). The general responsibility of the Watch and Ward Department extends to the safeguarding of the financial interests of the Railway.

(c) and (d). No.

EXPERIMENTAL CHECK OVER THE TRAVELLING TICKET EXAMINERS' WORK ON THE EAST INDIAN RAILWAY.

*229. (a) and (b). For the purposes of the temporary measure, the Railway Administration considered it desirable as an experimental measure to entrust the supervision to the Watch and Ward Department, who had better facilities than the Accounts Department in the matter of staff and organisation to conduct the experiment.

(c) Government do not consider that the temporary measures adopted were inconsistent with the recommendations in the Moody Ward Report, as during the period of the experiment, the Operating Department continued to retain control of the ticket checking arrangements on the Railway.

(d) The experiment was not conducted on any other State-managed Railway.

WATCH AND WARD SQUADS ON THE EAST INDIAN RAILWAY FOR CHECKING TICKETS.

*1342. (a) The Railway Administration report that, judging from the figures of passenger traffic and earnings during the period the Watch and Ward squads were operating, the experiment of putting these squads into operation had the effect of checking illicit travel on the Railway.

(b), (c) and (d). The Railway Administration report that the records maintained by the two temporary squads were not sufficient to furnish replies to the questions.

(e) and (f). The Railway Administration report that no such report has so far been submitted by the Watch and Ward Department.

GRANT OF ENHANCED SALARIES TO HINDU ASSISTANT SURGEONS WITH ENGLISH QUALIFICATIONS.

39. (a) Between August 1929 and December 1932, twelve Assistant Surgeons were appointed on the North Western Railway, of whom only two were given an initial pay of more than Rs. 200. The higher pay was given in consideration of the special qualifications obtained abroad and previous experience. I understand that one Muslim refused an offer of appointment on the ground that he was unable to accept the offer on account of his future prospects. The appointment was then offered to another Muslim, who accepted it.

(b) Does not arise.

REPRESENTATION OF MUSLIMS IN THE ESTABLISHMENT BRANCH OF THE OFFICE OF THE CHIEF MEDICAL OFFICER, NORTH WESTERN RAILWAY.

40. The Agent, North Western Railway, reports as follows:

"No Muslim Clerk from the establishment section of the Chief Medical and Health Officer's office has been dismissed or transferred to other departments altogether. For the convenience of the Administration and not on account of any policy of weeding out Mussalmans from the Establishment Section of the Chief Medical and Health Officer's office, two Muslim Clerks were recently transferred from that section, one to a District Office in the Medical Department and the other to the Stores Section of the Chief Medical and Health Officer's office".

No fresh appointments were made on account of these transfers.

VICTIMISATION OF MUSLIMS IN THE OFFICE OF THE CHIEF MEDICAL OFFICER,
NORTH WESTERN RAILWAY.

42. (a) The Agent, North Western Railway, reports as follows :—

Promotions have been given to those fitted for them irrespective of community. Muslims have equal chances of promotions with other communities. Orders are passed in each case by the Chief Medical and Health Officer personally.

(b) Disciplinary action for irregularities and unsatisfactory working has had to be taken against Non-Muslims as well as Muslims.

(c) No.

(d) Pandit Ram Narain was returned to the Commercial Branch from the Chief Medical and Health Officer's office early in 1929. No clerk in the latter office was subsequently chastised as a result of any allegations made by him.

(e) No. All promotions and punishments of the clerical establishment of his office are dealt with by the Chief Medical and Health Officer personally.

DEPUTATION OF A MEDICAL MAN FOR A CLERICAL JOB IN THE OFFICE OF THE
MEDICAL OFFICER, LAHORE.

44. The Agent, North Western Railway, reports as follows :

“(a) No. The Medical Officer, Lahore, has two Sub-Assistant Surgeons under him and neither of them works merely as a clerk. Each has definite medical duties to perform.

(b) The conveyance allowance granted to one of these Sub-Assistant Surgeons is for his journeys to attend to the Railway staff, Classes III and IV, living in scattered areas in Lahore. Class IV includes the servants of Railway employees. His visits are not confined to Mayo Gardens but extend all over Lahore area. His journeys amount to an average of 200 miles per mensem.”

(c) Government are sure that if the facts are stated, the Agent, North Western Railway will take suitable action.

MISUSE OF PRIVILEGE PASSES BY CERTAIN EMPLOYEES OF THE NORTH
WESTERN RAILWAY.

45. (a) In the case referred to, which took place in 1929, the Agent considered that the official in question had committed a serious error of judgment and that recovery of the cost of the fares and the recording of a warning would meet the case.

(b) The offences committed by Mr. B. K. Sood and Mr. Ashwood were not identical with that referred to in part (a) of the question. Mr. B. K. Sood was discharged with 3 months' pay in lieu of notice. Mr. Ashwood was dismissed from the service.

(c) Each offence against the pass rules is dealt with on its merits.

CONCESSION IN RAILWAY FREIGHT GIVEN TO THE PIONEER PRESS ON ITS
REMOVAL FROM ALLAHABAD TO LUCKNOW.

*1463. The Railway Administration report as follows :

(a) The reply is in the negative.

(b) The whole of the machinery and fittings of the Pioneer Press were booked as goods rates and despatched by mixed train to which goods wagons are attached.

(c) The difference in the freight charges on the various consignments at coaching and at goods rates would amount to Rs. 4,934-4-0.

(d) The United Provinces Government did not ask the railway to allow any concession nor was any concession in rates granted in this case.

USE OF THE BUILDINGS OF THE OLD CAWNPORE RAILWAY STATION.

*91. (a) (i). Yes.

(ii) No.

(b) The question is already under consideration by the Railway Administration.

PROVISION OF STREET LIGHTS NEAR RAILWAY QUARTERS IN CAWNPORE.

*92. (a) (i) Yes.

(ii) Yes.

(iii) In October, 1933, the Area Welfare Committee recommended the provision of a few street lights in the clerical colony, and this is under consideration by the Railway Administration.

(iv) Yes.

(b) The delay in providing street lights in this part of Cawnpore Station is due to financial stringency, and not to discrimination.

(c) As already stated in reply to part (a) (iii), the provision of street lights is at present under consideration.

INSANITARY DRAINS NEAR RAILWAY QUARTERS IN THE GOODS MARSHALLING YARD, CAWNPORE.

*95 (a) The drains empty into a pit, 600 feet away from the quarters, which discharges through *pucca* drains into low-lying land half a mile away. The pit has not been found to be a breeding place of malaria.

(b) The question of a better drainage scheme is under consideration by the Railway Administration.

DISCRIMINATION IN THE GRANT OF PASSES TO THE OLD OUDH AND ROHILKUND RAILWAY STAFF.

*99. (a) The reply to the first part is in the affirmative. The curtailment is, in accordance with the Railway Board's orders, dated the 31st March, 1933, limiting the number of passes of all grades of employees on State-managed Railways.

The reply to the second part is also in the affirmative.

(b) The discrimination is due to the difference in the two sets of pass rules and to the Oudh and Rohilkund staff remaining after amalgamation under their own pass rules.

THE RAILWAY BUDGET—GENERAL DISCUSSION.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now proceed to consider the Railway Budget. As only one day is allotted for the general discussion, the Chair has decided to fix a time-limit of 15 minutes for each speech, subject, however, to the discretion of the Chair to be exercised in very exceptional cases.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I first congratulate the Honourable Member for Railways in presenting in a very fine manner the case of a losing concern.

[Dr. Ziauddin Ahmad.]

over the causes of which he himself had no control. The railway till 1930 had been the paying concern in every country. They were the milch cow, and every country and every Government wanted to take possession of them for the benefit of their revenues. The position changed since 1930, and every country is now trying to get rid of them like kicking cows and asking various bodies to take over the administration of the railways. It is not peculiar to India alone, but really it is a common thing which we find in almost all the countries.

Sir, I may say at the outset that I have one difficulty in understanding the figures given in various books that have been supplied to us. I have taken great pains to go through them, and I find that nowhere these figures tally. For example, the income of the accounts of 1932-33, which is already over, is given on page 10 in the Administration Report as 84.43 lakhs. In the Explanatory Memorandum (page 5), it is put as 84.17 lakhs, on page 50, it is 90.59 lakhs. Then, in the memorandum which is presented on behalf of the Government and which is called the Budget, the income is shown as 84.34 (page 2) lakhs and Sir Guthrie Russell, in his speech, the other day, mentioned it as 85.62 lakhs. Fortunately, the sixth figure did not exist in the speech of the Honourable the Railway Member, because he did not mention the figure.

Now, coming to the estimates of 1934-35, I notice the same confusion. On page 5 of the Explanatory Memorandum, the income is shown as 89 lakhs, while on page 50, it is 90.59. In the Budget (page 3), it is 94.31, and in the speech of the Honourable the Railway Member it is mentioned as 91.25 lakhs, and there is no mention of it in the speech of the Honourable the Chief Commissioner for Railways. I daresay they have been calculated in a different manner, but no explanatory note of any kind is given. Had there been explanatory notes, then we would have been able to reconcile the different figures that are given in six different places. I will probably be right if I were to ask the Financial Commissioner for Railways, Mr. P. R. Rau, to deliver a special lecture explaining how these various figures which are given to us in five or six different ways have been arrived at, and he will perhaps require the assistance of his Secretary and clerks to prepare this lecture for the benefit of the Members of the Assembly.

Mr. P. R. Rau (Financial Commissioner, Railways): Not at all.

Dr. Ziauddin Ahmad: Then, Sir, there are one or two small points which I would like to deal with first. We find, in the List of Demands, on page 14, the salary of the Chief Controller is put down as Rs. 24,000 and there is a foot-note saying that half of his pay is charged to the Railway Board, Demand No. 1. But I do not find any provision there. Perhaps it is an omission. The point might be explained.

Then, I would like to draw the attention of the House to one other important fact. The rule is that in the case of an expenditure, which is over two lakhs, it is necessary to have the regular sanction, but for an expenditure which is under two lakhs the railway itself can sanction it, and, if the expenditure is under one lakh, the minor officer can sanction it. Now, we find that there is an item, Kothri Bridge on the North Western Railway, for which 4.27 lakhs have been budgeted (Pink book,

page 21, North Western Railway). Now, it has been split up into two smaller items in order to avoid the sanction. This practice of avoiding the sanction by dividing a particular item into smaller groups ought to be avoided. I wonder why the Auditor General and the Finance Committee did not censure it.

Coming to the general arrangements of the Budget, we require these figures for two purposes. In the first place, we require these figures in order to compare them with the rest of the world. Here I have got the statistics of the world, compiled by *Union Internationale des chemins de fers*, in which they have given the figures of all the countries in the world but we find that the figures for India are left blank, because, from the data supplied by our report, they could not be calculated. We can find from these figures given for other countries the percentage of expenditure under various heads—administration, coal, pay of staff, etc., but it is impossible to find it for India. We don't know which portion is more economical. The second consideration on account of which these statistics are useful is how far the budgetary conditions will affect the tax-payers. These are the two important points in connection with these figures, but we find that these points of view have been omitted in the preparation of statistics that are supplied to us.

Then, coming to the Budget itself. Here I have got an official report prepared under the signature of the Financial Commissioner, Railways. On page 7, it is explicitly mentioned that the deficit is 15.43 lakhs. But I notice at the same time that the income has been over-estimated. The receipts under traffic have been over-estimated by 59 lakhs and the receipts under goods by about two crores. This is a very doubtful item and even Sir Guthrie Russell, in his speech, the other day, said that the decrease of our forecast was entirely due to taking too optimistic a view of our traffic receipts. The same optimistic view is taken in the preparation of figures in the current year, and unless certain conditions change, it is impossible to increase our revenue. In the first place, the price of agricultural products ought to be raised, so that the agriculturists may have more money to travel in the railways. Secondly, the volume of trade should increase, so that people may send more goods. I notice that the volume of trade has gone down from 520 crores to 271 crores, and unless steps are taken to increase the volume of trade and to increase the price level of agricultural products, there is very little chance of increasing our revenues. As regards internal traffic, our principle ought to be to remit as much as can be done without loss to the railways, and the principle of charging as much as the trade can bear is not a correct principle in these days of depression. In days of bounty, it may be a good principle, but we must try to be as helpful to the trade as possible and, by this arrangement, it is possible to encourage the trade within the country itself, by charging lower freight.

According to the convention of 1924, the Railway Department had to pay to the general revenues one per cent. of the capital at charge. Nothing has been done about this. This has not been paid for the last four years and the amount standing at their credit is about 21 crores. According to the convention of 1924, this should be considered a kind of loan without interest, and it should be paid as soon as the revenues permit. We ought to know from year to year what is the amount still due. We should not forget that the Railway Department, whenever they are in a

[Dr. Ziauddin Ahmad.]

more prosperous position, should give back to the general revenues a sum of 21 crores, which is due to the general revenues. This sum is arrived at after deducting the losses in strategic lines, as follows:

1931-32	5,36 lakhs.
1932-33	5,22 „
1933-34	5,21 „
1934-35	5,14 „

Then, I take up the Depreciation Fund, and this could more appropriately be called the "Deficit Fund". I appeal to my Honourable friends of the European Group, who are all businessmen, to see whether it is a sound business proposition to borrow money without interest from the Depreciation Fund. I do not know where this Depreciation Fund is kept, no detailed accounts are given in any of the report, whether the money has been invested in the Government securities and at what rate of interest. The point is raised year after year. We have already taken from this Depreciation Fund about 14½ crores, including the amount taken this year, it may be a little more. I think the probable deficit of the present year according to my estimate will be about 18 crores including the one per cent. of the capital at charge which the railways have to pay to the general revenues.

The next point I should like to deal with is the working ratio. The working ratio in India is much less than the working ratio in other countries. If I had the time, I would have quoted from this book which I have in my hand—the Statistics of International Railways of the World. We find that the working ratio of the Indian railways is much less than the working ratio in many other countries, and this is due to the fact that we are paying very low salaries to the subordinate staff. In these days of unemployment, you can get a graduate at any price, but it is exceedingly difficult to keep him honest. If you would not pay an economic salary to the subordinate staff, they will try to increase their income in a manner on which no income-tax will be paid.

The next point is Interest on Capital. Sir George Rainy drew the attention of the House, three years ago, that we ought to convert our loan in the form of debentures. But this suggestion has not been worked out. The Honourable Sir Guthrie Russell echoed the same spirit when he said that if the railways had been Company-managed Railways, we would have been able to pay three per cent. dividend which is really good in these days of depression. We have a loan of 802 crores which we have to pay and on which we pay an interest of about 32 crores. This is a very high rate of interest. We remember that in the Ackworth Committee Report, Sir Henry Burt, and Sir Rajendra Mukerjee, both advocated that we ought to have a special loan for railways and that we would be able to get it at one per cent. lower than the market rate. If we can borrow at 2½ per cent. guaranteed interest with participation in profits, then the interest charges will greatly diminish and thereby we can easily have a balanced budget even in the years of depression.

Now, I come to Capital Expenditure. Since Railway Finance was separated from general revenues, we have spent 272 crores as Capital Expenditure. Out of this, 94 crores were drawn from the Depreciation Fund and 178 crores were obtained by means of new loans. Out of these

177 crores, a sum of 111 crores was spent in a manner on which no revenue could be obtained. Each year we are going to add a certain amount to the business which is already in existence and on that account we go on increasing our interest charges and our Depreciation Fund. This reminds me of the example of a country in which the income-tax was charged on the price of the shoes which a person wears. Say, a shoe is worth Rs. 10. He pays income-tax on Rs. 10. The person resoled it ten times, each time paying about one rupee eight annas, and thus the price of the shoe rises to rupees thirty five, and the income-tax is levied on rupees thirty five. This is practically what the Railway Department is doing. They are putting more and more capital on a particular undertaking and charging more and more interest, and more and more Depreciation Fund, and so on, all these are unnecessary expenditure. We know that the Financial Commissioner for Railways was appointed to watch the expenditure on behalf of the Government, the Legislature and the tax-payers. He was expected to be the real supervisor of railway expenditure. He is watch-dog of the Finance Department. Instead of defending the interests of the tax-payers, he has been captured by the Railway Department. He has become the advocate of railway interests, and he is fighting with us on behalf of the railways, instead of safeguarding our interests in the Railway Department which he was expected to do. He is the other way round, safeguarding the interest of railways and trying to fight with us.

The Honourable the Finance Member appealed to us that we should have co-ordination between railways and roads. I think it is desirable to have co-ordination in his own Department first. Let us create a Board of Communication or Transport in the Government of India, so that all the efforts may be united in one place here and the next step will be to unite all the Indian railways into one or two concerns just as the British Government did in 1921 by combining 121 companies into four. We have got 53 undertakings and they ought to be combined into a few, and after passing through this stage, the next step will be to have co-ordination between roads and railways. Before taking that final step, these preliminary steps should be undertaken. As regards the Railway Administration, it is a three-wheeled carriage, the Divisional Superintendent, the Agent and the Railway Board. We organised the divisional system on the lines of the German Railways, but forgot that Germany abolished her agencies and amalgamated all provincial railways into one Central organisation. I think they should follow the whole and not part of the German system, and we should administer with a Central Railway Board and Divisional Superintendents. The agencies which only duplicate the work should be abolished.

Now, I come to the Railway Rates Advisory Committee. There is no meaning in having such a body. We ought to have an *ad hoc* Rates Tribunal created for a particular purpose. To have a permanent committee to decide about five cases each year is, after all, a waste of public funds. Moreover, the function of the Railway Rates Advisory Committee is merely advisory. In fact, the decision of the Tribunal should be final. The tribunal should consist of a nominee of the Railway Department, a nominee of the aggrieved party and a Judge of the High Court.

I do not like to raise the point about this Statutory Railway Board because I have no time now, but I hope I will have some other occasion to discuss the same.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhammadan Urban): Sir, just a day intervening between the presentation and the discussion, it is not humanly possible to do justice to the Railway Budget within so short a time. Bristling with dark spots as it is, a good deal of its gloomy features has been sought to be screened from the public gaze through the effect of a highly effective terse literary speech of which the Honourable the Railway Member is so skilled a master. Sir, notwithstanding the ingenious way in which our two Railway Chiefs in the two Houses have been pleased to present the picture, the picture is very gloomy indeed. The outstanding feature of that picture is a huge deficit, deficit upon deficit, continued deficit from 1931 onwards. But it is incumbent upon us to find out, if we can, how this continuous decline of our railway revenues has come about.

The first cause, to my mind, is this: with the rapid change of times, railways are no longer monopolist carriers. Not only has the motor become a popular and convenient mode of transport, but air transport is also fast coming into the field. Water transport also still holds its way in its own sphere owing to its extreme cheapness. But our railways, no less than those of elsewhere, are anxious to see that other means of transport should go out of the field altogether, because their revenues are being greatly prejudiced by their presence. But they seem to forget that no means of transport can afford to stand by itself in the future economy of the world. Therefore, a re-orientation of their policy is needed to bring them relief at the present juncture. Co-ordination and not competition should be their watchword for the future. I cannot but, therefore, congratulate the railway authorities on the proposed change of attitude that they mean to adopt generally towards road transport services. But my idea is that the present Railway Board should be replaced by a Ministry of Transport so that the Department may take under its charge all existing modes of transport in the country and carry them on to the goodwill and harmony of all concerned.

I shall now try to make out the second cause for our declining revenues. It is the want of improvement of the quality of Indian railway management. It will be pertinent to repeat here how in the West railways are managed. The net operating income of a first class rail-road in America in August last was almost double the figure for the corresponding period for the preceding year. Thus reveals a recent report of the Bureau of Railway Economics in America. It is no wonder that such should be the case when we remember in what a business-like way the rail-roads are managed in America. Their latest action is that passenger rates have been further reduced from 3½ cents to three cents a mile for one way trip and two cents a mile for a return trip. This means that one can run six miles for only a penny. There the Pullman surcharge has of late been eliminated and improved sleeping cars have been provided for the third class. Permission has also been given to individual rail-road concerns to reduce their mileage charges to two cents a mile for round trip tickets with a ten-day limit. So it is not the removal of any political influence or the project of a Statutory Railway Board that accounts for that improvement in the income of the American railways. It is only due to better, more judicious, more sensible, more capable, and quite patriotic management of the business.

Thus, if the railway revenues in India are to be improved, the remedy lies in improving the quality of our railway management on the lines of

the West on the most up-to-date and scientific lines. We have been told by one of the Railway Chiefs that, by comparison with British, Continental and American railways, our railway income does not suffer much. But how can I accept his *obiter dictum* without being told about the track mileage, freight and passenger charges, scale of wages, conditions of labour, amenities for passengers, speed of locomotives and the like in case of each individual railway?

The third cause for the deterioration of our railway income lies in the absolute lack of foresight and unwisdom on the one hand and thoughtless extravagance on the other on the part of our railways. Our railways will spend out in capital expenditure crores of rupees on the slightest increase of their income. Our railway outlook is more or less anti-national and, therefore, whenever funds become available, they are sent abroad on some plea or other. Our Railway Chiefs do not look to the future or to the economy of this country. As an instance in point, I may say that, whereas our capital programme for the last year amounted to rupees ten crores, the American rail-roads bought only one new locomotive and only 1838 new freight cars during the first eight months of 1933 which was such a lean year all round.

I shall now come to some points which I want to mention while speaking on this subject. The railway policy as regards Indianisation of the topmost appointments still leaves a great scope for modification. The highest posts in the operating, commercial, engineering, accounts and audit, locomotive and wagon, stores and medical services of the different Indian railways are all, 99·9 per cent. of them, being still monopolised by non-Indians. Next, I do not object to the rehabilitation of the Hardinge Bridge if the costs therefor are kept strictly within the figure put forward. I only hope the newly constructed Willingdon Bridge will not come up for a similar treatment through some misadventure in the near future; because from what has transpired with the Hardinge Bridge and, from recent reports, to the Willingdon Bridge, I have come to entertain little regard for the engineering skill and outlook of our State Railway engineering staff. I cannot accept the proposal for the remodelling of the workshops in Jamalpur. The existing workshops at Lillooah, Lucknow and Kanchrapara should be made to absorb all the work that has hitherto been done in Jamalpur. The cost of remodelling and repairs are placed at such a figure that a new workshop on the most up-to-date lines may be established either at Mughalsarai or at Asansol with that amount. Besides, it will not be advisable to rear up again the Jamalpur workshop when, by reason of its closest contiguity to Munghyr, the area is not considered safe geologically. Again, why should more money be spent on the railway workshops when more and more articles, that formerly used to be manufactured there, are being given away on contracts outside and hands are being sent away in the name of retrenchment from all the workshops?

Another point which I cannot forbear mentioning is the grievance of a large number of men, Hindus, Mussalmans and Christians, working in the combined Railway Press of the town I come from, I mean the Railway Press at Fairlie Place in Calcutta. Due to the whims and caprices of the Superintendent of that establishment, the service conditions of a large number of hands there have undergone most unheard-of changes. The men there, Hindus, Mussalmans and Christians, are groaning under the existing conditions. They are trying to ventilate their grievances through

[Mr. Nabakumar Sing Dudhoria.];

mass and individual memorials to the Agent as well as by taking recourse to their ventilation through the medium of their Union; but, hitherto, without any result. It is necessary that the Railway Chiefs here should take the matter up and hold an inquiry immediately, in the interests of a loyal, faithful and most hard-working lot of people.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, probably this is going to be the last occasion on which this House will have an opportunity of discussing the Railway Budget, and my Honourable friend, the Commerce Member, will heave a sigh of relief when he finds that there is no Neogy to oppose his Railway Budget or his lineal successor, Dr. Ziauddin Ahmad. (Interruption.) I do not know whether the Railway Member will call him genial, and so I used the word "lineal". In a general discussion like this, I do not think I will be justified in going in detail through all the figures that have been placed before us, so skilfully manipulated, and to which I had, as member of the Standing Finance Committee, given my approval. So, without going through the figures, which is not at all a very pleasant task for many of us here, I shall deal with some of the general grievances of the public as regards railways and ask for their redress.

The first question that occurs to me is the question of reduction of third class fares. (Hear, hear.) The next is the re-introduction of eight-monthly return tickets. After that comes the question of passengers' amenities.

It is probably not known to the higher authorities that the food generally supplied in railway stations is not only not good, but unhealthy. The system of giving contracts is at the root of all these things. I will not try to probe into the causes of this bad food supply to the Indian passengers, but I wish to bring to the notice of the authorities that there should be better means of catering of food to Indian passengers. Again, I would request the authorities to see to the introduction of Indian restaurant cars in the railways. It has been my experience and I think it is the experience of many of us here to see that in the long restaurant car, which runs in the mail train, there are no passengers—sometimes two or three at most—who take even one meal there. I have found that, considering the number of passengers that enjoy these amenities, there are a much larger number of people who are compelled to take from those hawkers on station platforms food which a human being can hardly take. If a restaurant car for Indians is run along with these restaurant cars, I think much of the grievances of the people will go.

In this connection, I have to invite the attention of the Honourable Member to the freight on agricultural produce, which matter, I think, will shortly be brought to his notice by that young and enthusiastic worker from Utkal who has just got up an Agriculturist Group in this very House whose numbers outweigh the numbers of any other Party. . . .

Mr. N. M. Joshi (Nominated Non-Official): Is it a twin of the Film Group?

Mr. Amar Nath Dutt: I do not know whether it is a twin of the Film Group; but if a film picture was taken of this group, I think my friend, Mr. Joshi, will be seen more in the lime light than anybody else, because he is more interested in labour than any of us; and that being so,

the agricultural labourers ought to get more attention from him than the industrial labourers who are infinitesimally small in number as compared with the agriculturists.

There is one other minor matter about which also I would like to draw the attention of railway authorities, that is, the introduction of platform tickets in stations where there were no platform tickets before and which hardly brings in the income required to keep a man at the door of these platforms. I can cite an instance of a place where I asked the man who was dealing with platform tickets "How much have you got today?" and he gave me the figure of Rs. 2-12. I asked him what his pay was, and he said, it was something between 70 and 80 rupees. I do not see any necessity, therefore, of having these platform tickets at such a high cost: it does not pay at all. In fact, in smaller stations, these platforms are the places where the people go just for an evening stroll or just to meet some passengers who may come, and they will not go there if a charge of one anna is made. I can well understand the necessity of platform tickets in big stations like Delhi or Howrah, but for smaller stations like Burdwan and other places, I do not see any necessity.

There is one other important matter—I do not know whether I should enter into it at length—but I shall just mention briefly what has been mentioned more than once in this House—about the strategic railways. These railways, as every one knows, are not paying. The trains run on some of these railways twice a week and at times not even that. They are hardly considered necessary for passenger or goods transport: they are solely for military transport; if that be so, I think these strategic lines should be given over to His Excellency the Commander-in-Chief for administration, and the Indian taxpayer relieved to that extent.

Something has been said about the Jamalpur workshops and workshops in other places by the previous speaker, and I shall not say anything more about it, save and except this, that if these workshops are to be reconstructed, they should be reconstructed at Asansol, if possible. . . .

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muhammadan): In Bengal, and not in Bihar?

Mr. Amar Nath Dutt: My friend says "In Bengal, and not in Bihar". Provincialism is rampant. I remember the days when my friend was with us in the same Province. I am tempted to say: "We taught them the language, and they know how to curse". I know the feeling of the Biharis against the Bengalees. I know that they are very provincial in their outlook; but they ought to remember that still, in order to keep the moral tone of the services and of the professions in that province, a percentage of my own province men are required with a view to bringing them up to the moral standard which is required. Of course, I am prepared for the invectives and abuses which will shortly come from my friend, and so I shall not go further than that.

One other point I wish to mention is about retrenchment of railway employees. When the retrenchment committees were first constituted, I said from the beginning that you might retrench their pay, but not a single individual. In these hard days, to throw men to unemployment is a very dire thing for the safety and good government of the country. Salary and pay has been increased to an inordinate extent in every department of the Government. It was necessary to do so owing to the rise in prices after the war. But, Sir, prices have gone much below the

[Mr. Amar Nath Dutt.]

pre-war rates, and, if that is so, I think by retrenching the salaries and not by retrenching even a single individual greater economy can be effected than by resorting to retrenchment of a few poor people in various departments, and I am sorry to say that the axe of retrenchment has fallen heavily on the poorer classes only. This should be remedied as much as possible and retrenched men should be provided for as early as possible in the railways.

There are two other things which have been mentioned in the speeches of the Honourable the Commerce Member and the Honourable Sir Guthrie Russell. From the speech of Sir Guthrie Russell, I find he makes a reference there to the Publicity Bureaus in New York and London, and that no less than sixty lakhs of rupees have been spent by foreign tourists in India, but I would like to know really if there has been any appreciable increase in the number of tourists in India after those Publicity Bureaus have been constituted in New York and London compared to the cost that has been incurred on these Bureaus. That has not been stated, and so we are not in a position to make a fair comparison. Sir, I believe these Publicity Bureaus have not been very useful in bringing in increased revenues to our Railways.

Then, the other thing is in regard to the Hardinge Bridge. Sir, older men like ourselves remember very well the days when we had to go to Darjeeling in boats by crossing the ferry, and I feel that, as a result of the construction of this Hardinge Bridge, not much convenience has been afforded to the travelling public. I remember having gone to Darjeeling by crossing the river in boats, and I found the experience more pleasant than by going there over this bridge. Whatever that may be, the Hardinge Bridge has a small history behind it. It was constructed by Sir Robert Gales some years ago. Before that there was a talk about the construction of this bridge for about 20 or 25 years. It appears several sites were selected, and one was selected by a great Indian Engineer also, and at last the present site was decided upon. People who know about engineering were of opinion that other sites than the one now fixed upon were very much better than the present site. In spite of all that, this site was taken up, and what has been the result? We had to budget for nearly two crores of rupees. I do not know how much more money will be needed afterwards, and, even after spending all that money, there is no assurance from the Honourable the Railway Member that this bridge will remain. That being so, I beg to submit that the bridge should remain where it is, and, if it is washed away, we should revert to the old method of conveyance by ferry boats which was not so inconvenient as some people seem to think.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has got two minutes more.

Mr. Amar Nath Dutt: Very well, Sir. There is only one other item to which reference has been made by my friend, Mr. Nabakumar Sing Dudhuria, and that is about the Willingdon Bridge. He has expressed an apprehension that this bridge will also share the same fate as the Hardinge Bridge. I brought to the notice of the Honourable the Financial Commissioner that the trains were not being run on this bridge and that people were making adverse comments to the effect that the bridge was

unsafe and so trains were not being taken over this bridge. We were assured,—and we accept the assurance of experts in these matters,—that the bridge was quite safe, but there was no traffic for it and hence it was not working. I hope, Sir, that this Willingdon Bridge will not require more money in the future. With these words, I congratulate the Honourable the Railway Member that in this year of depression he has been able to show us some rise in earnings, and I hope, that his optimistic forecast will be fulfilled.

Haji Chaudhury Muhammad Ismail Khan (Bakarganj cum Faridpur: Muhammadan Rural): Sir, I must congratulate my friend, the Honourable Sir Joseph Bore, on his being able to prove by actuals the realisation of the hopes of his optimism expressed by him last year during the presentation of the Budget. Members on this side of the House accused the Honourable Member of over-budgeting the income and underestimating the expenses. Even Members of the European Group accused him of undue optimism. But facts, as disclosed in the present Budget, show that he based his optimism on certain data on which he could rely. Though, Sir, I admit that my friend has realised more or less his expectation of income during the current year, yet I cannot admit that the railway finances have materially improved. The deficit is increasing year after year and the loans which are being taken from the Depreciation Fund are gradually increasing with the consequent rise in the interest charges. I am glad that in his Budget speech, this year, the Honourable Member has shown a bit of saving in the interest charges, but that I should say, is a windfall. There is a world-wide depression and, consequently, the money market has become cheaper and the market rate of interest has come down. But, Sir, there is no knowing that it will remain like this for ever. It may go up tomorrow or the day after, and consequently the interest charges for these loans from the depreciation fund will go up immediately.

In coming to the question of the consideration of all forms of transport as agreed to by the Conference in Simla, and to which the Honourable the Railway Member has particularly referred, I am sorry to say that in this respect he did not enlighten us as to the steps taken and the progress made by the Governments concerned and the action taken on such proposals with a view to increasing the railway earnings. As regards the rates and fares, it is an old grievance on this side of the House that fares of all classes of passengers have been unduly raised to such a level that the law of diminishing returns has begun to influence the railway earning. The result is that today, owing to the enormous increase in fares, the first class passengers are travelling second, second class passengers are travelling inter or third, and inter and third class passengers are travelling by buses wherever available. I would even now request the Honourable the Railway Member to take immediate steps to reduce third class fares, and I am positive that this step will be more than compensated for by a larger volume of traffic in spite of the fact that there is road bus competition. I would further suggest that reduction of fares should be brought into effect for smaller distances and especially for places where there is bus competition, and the train service in such places accelerated and comforts and conveniences of such passengers increased. Though I would like the railways to take all these steps to divert the traffic to the railways from the buses, yet I for one would never like the idea of the railways plying their buses in order to kill the smaller concerns.

[Haji Chaudhury Muhammad Ismail Khan.]

Then, Sir, I come to the question of comforts and conveniences of third class passengers. In previous years, all the predecessors of the Honourable the Commerce Member used to give us some idea as to what steps had been taken during the year and what steps were proposed to be taken during the next year about the increase in the comforts and conveniences of third class passengers. Sir, I do not see any reason why the passengers, from whom the bulk of the railway earnings is derived, should be made to pay for the increase in the comforts and conveniences of higher class passengers who are not at all paying. If any one of us has the fortune or misfortune to enter a third class compartment in the night, he will see that the system of lighting has been changed in such a way that the scanty lights provided in large third class compartments are not sufficient even to allow the recognition of faces. Probably, thanks are due to the railway officials for this diversion of electrical energy for the extra powerful lights and fans required in higher class compartments. Here, in the hot climate of India, we can easily imagine the lot of third class passengers being scorched inside the compartment with iron sheet roofs above their heads. Sir, I do not see any reason why third class passengers cannot be provided with a few fans. It is an every day knowledge of ours that third class passenger sheds are open on all sides and are built only providing a tinned roof. I think every Honourable Member must have noticed some time or other how such passengers are put to inconveniences during winter nights or rains and stormy days. The railway authorities think that Indian third class passengers are worse than cattle, because the horses, ponies and dogs of Europeans require more care, but not the masses of India. I wonder whenever necessary, these European masters of ours, still come out with crocodile tears for the Indian masses. It is only on questions of constitutional advancement that the interest of the Britishers overflows to the brim, because they want these masses to fight the educated and the advanced sections of India. Lastly, before I conclude, I would like to bring to the notice of the Honourable Member that, in spite of the fact that the money market is cheap, they have not been able to find out remunerative projects. Sir, I come from Barisal, and the communication of that place both from Calcutta and Dacca is very defective. I would request the Honourable Member to make a thorough survey as to whether any better communication can not be planned for Barisal, which is one of the largest rice growing districts, and any railway project, either feeder or main line, will, I think, be remunerative there.

Finally, I take this opportunity of thanking the Honourable the Railway Member and also the Financial Commissioner of Railways for providing funds for the erection of a new station building and platform at Faridpur which will certainly increase the conveniences of the travelling public in and around the place.

Sardar Sant Singh (West Punjab: Sikh): When a partner at the bridge table turns out an unusually bad hand, the etiquette of the table requires that he should be thanked with the trenchant remark "It might have been worse". The Honourable the Railway Member entertained the House in a similar fashion. At page 6 of his Budget speech, he says:

"That completes the financial picture which I have to present to the House. If it is not as bright as we might have wished, it might easily have been much darker."

We have seen, since the Railway Budget was separated from the General Budget, surpluses were shown for the first six years, but since 1930-31 there have been continuously deficit Budgets. In this year, there is a deficit of Rs. 7.78 crores, and for the next year the budget estimate is Rs. 5.30 crores. If the retrenchments that have been carried out in the railway staff for the last two years have not been able to put the working expenses and the income on a par, it may be asked whether there is not a further necessity to look into and examine the system of administration. It has been the complaint on this side of the House that the retrenchments that have been carried on have mostly fallen on the lower staff while the system of top heavy administration still continues. It is still a grievance that in this retrenchment campaign most of the high paid officials have not been touched, or, if touched at all, they have not been touched to that extent to which this House had been insisting. At the time of the presentation of the Railway Budget, the public expect that some relief will be given in the shape of reduction in third class fares or provision of more amenities to the travelling public, but year after year the public have been disappointed. When there is a surplus budget, at once comes the demand for the emergency measures to be adopted with the surplus earned, but when there is a deficit, the same story is repeated in the other form that nothing can be done so long as the deficit lasts. If, owing to good fortune, in a year or two the budget has a surplus, we will at once be told that during the deficit period urgent works had to wait. So in surplus years the Railway Department must look to new works and not provide any relief to the travelling public. In this manner, the public remain unaffected by any relief in fares or by provision of further amenities. I come to the next point. Sir Guthrie Russell is the Chief Commissioner of Railways and this House is vested with power to criticise the various administrative acts of the Railway. It is strange to find that Sir Guthrie Russell does not find his place in this House, but enjoys the calm atmosphere of the Upper House.

An Honourable Member: The Member in charge of the Department is here.

Sardar Sant Singh: I am just coming to that. During the year 1932-33, out of 8,788 questions that were asked in this House, 926 related to the railway administration. The heavy task of answering these questions fell on the shoulders of the Financial Commissioner. No doubt we are thankful to him for the calm and smiling manner in which he has been replying to the volley of questions put from this side, but still, not being in charge of the Department, he is not expected to answer those questions in the manner in which the Chief Commissioner of Railways is expected to do. I will state my position a little more clearly. Certain questions have been put during the last two years about the scandal regarding the special ticket examiners who were previously known as travelling ticket examiners. Time after time, information was given to the House that this staff had ceased to perform running duties entirely, and that they perform station duties only. I have collected a large material on the points, and this file in my possession contains the official programmes which are handed over to each ticket examiner about his duty. I find from these official programmes that the ticket collector is required to check tickets in the running trains in the same manner as he used to do in 1922, 1923, 1924 and 1925. On the plea that he is not required to do running duty, his

[Sardar Sant Singh.]

emoluments have been cut down. When I showed these papers to the Financial Commissioner of Railways, he was surprised to find how the information supplied to him differed from this, but being not an expert he promised an enquiry into the matter again. My submission is that, if the Chief Commissioner had been here, he would certainly have been asked why there is this discrepancy between the information supplied and the actual facts in regard to the working of the railways. The position is that the employees in the railways are suffering hardship and are victimised by right information not being furnished to this House. This brings me to another point and that is about the recommendation of the Labour Commission. The Labour Commission recommended in their report that staff councils should be appointed on each railway to look into the grievances of the railway employees. So far, those recommendations have not been given effect to. We find that, in the *Roy's Weekly* of the 29th January, this question was raised in the Editorial and, with your permission, I will read a paragraph out of it:

"The question time in the Assembly is monopolised with queries about the personnel of railway services. They are mostly on matters which are within the competence of the divisional superintendent or the agent of the railway concerned. But the Financial Commissioner for Railways tries his best to give all available information. The member raising the question is still not satisfied; there is a volley of supplementaries; the President cannot check it, nor can the Financial Commissioner for Railways give further enlightenment.

The Railway Board, though facing the wrath of the Assembly has allowed matters to drift; the Indian Railway Conference Association which meets annually in Simla does not appear to have discussed it; the all-India Railwaymen's Federation which meets the Railway Board every six months has not approached the Government specifically in the matter. Meanwhile, the Assembly which should be a serious legislative body discussing matters of policy is almost daily the scene associated with second class magistrate's court, with complaints like licenses to sweet meat vendors, discharge of a pointaman, the suspension of a clerk, etc.

The Royal Commission on Labour recommended in 1931 a scheme for the establishment of better industrial relations between the railways and their employees. The appointment of what was called 'Staff Council' on each railway was a specific recommendation of that body which expressed the opinion that these councils should consist of representatives of employees and that they should work in conjunction with divisional or district committee, wherever they exist. These staff councils or committees, it was further pointed out, were to be assisted by trade unions, if any, in their attempts to ventilate the grievances of employees before the divisional superintendents. The Commission further suggested the appointment of a Joint Standing Central Board, consisting of elected representatives of agents and workers in equal proportions to consider and effect settlement of general questions common to all railways and matters where it has not been found possible to reach agreement in railway councils of individual systems.

The recommendations of this report have not so far been attended to by the Government of India. I will respectfully ask them to do something in the matter.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has got two minutes more.

Sardar Sant Singh: The next point I want to touch is the prevalence of racial discrimination in the services on the railways. Last year, there was a complaint about the appointment and supersession by Mr. B. L. Cameron over the heads of several Indians. This year too the same complaint comes about the supersession of Indians, Hindus, Muslims and Sikhs, by two Europeans, Mr. Moody and Mr. Raino. Instead of removing the

complaint that was pointed out last year, I find that the same complaint continues. I cannot go into details of these cases for want of time.

The other question which I want to bring to the notice of Government is the system of appeals. Here, again the person who punishes the employee becomes the judge in deciding not only his case, but also his appeal. When a subordinate prefers an appeal to the Agent, when the rules provide an appeal to the Agent, the appeal is generally sent down to the Divisional Superintendent for disposal. It appears that there is a seal prepared with inscribed orders "the papers may be filed". This seal is put on every appeal. In this way injustice is done.

The last point I want to bring to the notice of the House in this short time is about the loss to the railway by thefts at the Mughalpura workshops. I am sorry I cannot give the details of that, but, in the case of three articles, big quantities have been recently stolen. One is teakwood. It is generally stolen from that place. Recently 20 pounds of silver was stolen and also 80 maunds of brass have found their way outside the workshop, and this, in spite of the fact that the thieves gave notice to the authorities that they would steal brass on a particular night. The thieves were true to their notice. The foreman of the shop is a European and the gate keepers are Europeans, and yet these things are going on unchecked. What is the punishment meted out to these guardians of Railway property? In one case, the foreman was reduced by one grade for six months and, in another case, mere warning was considered sufficient for the negligence. The complaint here is very genuine and I hope the Honourable the Commerce Member will make inquiries into these matters.

One word more, and I conclude. Last time, in his speech on Demands, Sir Joseph Bhore gave us several assurances that the grievances of particular employees would be inquired into. I respectfully ask him to tell us what has been done during the year to go into the grievances of those who were referred to by several Members during the discussion of the various demands, and what steps the Railway Board have taken to remedy those grievances.

Mr. N. M. Joshi: Within the few minutes which are at my disposal, I propose to place before this House a sort of preface to the speeches which I may deliver during the next few days if I am permitted to do so. Every one here fully realises the difficult times with which we are faced and, in these difficult times, I think every one of us will expect the Government of India to follow a policy by which these difficult times may be overcome. Unfortunately if we watch the policy, which the Government of India are following, I for one come to the conclusion that, instead of following a policy of meeting the depression, they are merely following a policy of drift. To me the Government of India appear like a man who lies on the surface of the water on his back, with his hands and feet stretched and holding his breath. It is true that he does not sink, but he does not swim too. He is carried up and down the current by the force of the wind. He has no motion of his own. We would all expect the Government of India to take prompt and effective measures to meet the depression. Unfortunately we find no indication of that vigour and of that promptness. I would like to examine the principles and the policy which the Government of India are following in their railway administration.

Railways are built and administered by the country, firstly, in order that the country should be provided with a means of transport, and,

[Mr. N. M. Joshi.]

incidentally, the railways also provide employment to a large number of our countrymen. Now, in doing this two-fold work, what are the principles and what is the policy that the Government of India are following? The policy and the principle which I would recommend the Government of India to follow is that they should make this social service available to the people according to their needs, and, in order that this social service should be maintained, they should take from the people according to their ability. Unfortunately, the principles and the policy which the Government of India follow are exactly the reverse. The railways are expected to supply means of transport to all the citizens in this country, but the policy which the Government of India follow is to try and give as much comfort and as much facility to those people who already have got comfort, and to try and give less to those who hardly get any comfort. Mr. President, I do not wish to go into the question of the grievances of third class passengers today. But last year I only gave a few figures to show that the Government of India have in their stock one first class seat for 12 first class passengers, one second class seat for 90 second class passengers, and only one third class seat for 400 third class passengers. Mr. President, it seems to most of us that on the whole we have more first class seats than we need. We have also more second class seats than we need. But what do the Government do? Mr. President, I find from the last annual report that the Government of India have added 189 first class seats and 473 second class seats and have destroyed or taken out of use 820 third class seats. Is this the principle and policy which the Government of India should follow? I do not wish to go into the details of this question, but I consider that the Government of India are guilty, not only from the moral point of view, but even from the commercial point of view, in neglecting their duty. Sir, it is the third class passenger traffic which pays the Government of India the largest portion of their passenger traffic. If they want to follow the right commercial policy, they should try to develop the third class traffic, and they can only do that by giving the third class passenger better comfort and greater facilities. Instead of doing that, they concern themselves chiefly in finding comfort for the first class and the second class passengers. I hope, Sir, the Government will revise their course. If you take the first class traffic, my own feeling is that, in a poor country like India, there is absolutely no need for first class traffic. The country will never be able to pay for it, and if you maintain the first class traffic, you can only maintain it at the cost of the third class passenger. The volume of first class traffic available is indeed very small and, therefore, you are bound to make losses on that traffic. Why should you neglect the traffic that is likely to pay?

I shall now take up another aspect of the question. Take the treatment the Government of India give to their employees. It is the same thing there. They give more to those who already have much, and they give less to those who hardly have anything. They give large salaries to their European servants and to their superior services. Take the other amenities given to their superior servants, take the privilege of leave with pay. It is the poorest of servants who require such leave with pay. They cannot save anything out of their salary. Now, these get nothing or very little. On the other hand, they give large amount of leave to those people who are paid very large salaries. Now, this is only an indication of the policy which the Government of India are following. What are they doing in

order to provide employment to those people who are unemployed? Instead of following the right policy of providing work, they only follow the policy of retrenching men, with the result that that swells the volume of unemployment and deepens depression. I feel that the policy which the Government of India are following is one of favouring one class of people, namely, the upper classes, at the cost of the middle and lower classes of people in this country. Sir, that policy will never succeed. It is true that you may be able to make profits after some years, but at what cost and at whose cost? You are only creating discontent in the country, and that discontent will some day have to be reckoned with. Mr. President, I would, therefore, like the Government to revise their policy. They should follow the policy of doing justice to all classes of people, treating all subjects equally, instead of trying to favour the policy of benefiting one class at the cost of another section of the people. I would like the Government of India to consider this question also that when they, either in their treatment of third class passengers or in their treatment of the subordinate inferior employees, follow this policy of benefiting one class, such a policy influences the minds of all their employees. They know that the Government of India favour the upper classes of people, and the employees are affected by that very spirit, the spirit of partiality, I may call it the spirit of corruption. Such a spirit will then run through the whole of the railway services and, if that is so, it is not the fault of the employees, but it is the fault of the Government of India. The Government of India set a wrong example, and that example is followed by their employees. Mr. President, I would suggest that the Government of India should at least run their administration in a manner responsible to this Legislature. The railways have been making losses; these losses have to be borne by the poorest sections of the people who are also the most numerous; and, if the country as a whole has to bear these losses, is it not right that the policy and the principles on which we should carry on the administration of our railways should be adopted on the advice of the Legislature? But what does the Government of India do? It is true we spend a week of our time in discussing the Budget. But that is not enough.

Mr. President, I was privileged to take part in the discussion that took place when the separation of Indian railways was made. I was one of those people who supported the scheme and supported it, simply because there were some features which I felt could be developed in such a way that there would be popular control over the administration of our railways. One of those features was the establishment of the Central Advisory Board. I felt that although the Legislature would not find time to go into the details of the railway administration, the Central Advisory Board would find time. Unfortunately, the Central Advisory Board was formed in vain. The Government of India did not follow the policy which they should have followed of taking the advice of that Central Advisory Board. I do not know what is the present position of that Board. Last year I heard some Members complaining that the Board did not meet even once. I went through the report of the railway administration and I did not see any account of the meeting of the Central Advisory Board. Now, Mr. President, I want to know why did not the Government of India honestly tell the Legislature that they do not believe in the establishment of the Central Advisory Board and they have no need for it. They should have been honest and they should not have taken the trouble of getting the Board elected. But they are content with the mere election of the Board.

[Mr. N. M. Joshi.]

Perhaps the Members are satisfied that they are elected on the Board, but the Board does not work. The Board that was expected to go into the details of our railway administration, the Board, which I once thought might develop into our Railway Parliament, does not function at all. Is that the policy which the Government of India are going to follow in the matter of their responsibility towards this Legislature? If the Government of India follow this policy, then I feel that whatever measures they may take and whatever may be the results of their policy, they will not deserve to succeed. I hope the Government of India will change their policy. They should be imbued with a better spirit, with a spirit of impartiality and with a spirit of justice, and they should also be ready to be responsible to this Legislature.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-official): Sir, I would be failing in my duty if I did not join other Honourable Members in offering my tribute of congratulations to the Honourable Member; but in doing so I have also to offer him my sympathy. My congratulations are due to the very excellent, in fact, heroic, manner in which he has administered the railways during the past year, and my sympathies are offered, because of the fact that, while administering his Department and preparing his Budget, he continued to be faced with the world trade depression that unfortunately exists today. Indeed, his Budget was evidently written and prepared under the shadow of the great earthquake. When one is faced with acts of God, it almost impels one to remain silent and to offer to the Honourable Member his sympathy and congratulations. Sir, if it is any consolation, I do that with the greatest pleasure and in a very wholehearted manner. Sir Joseph Bhore has done his best—no man can do more.

Now, let me examine the Railway Budget as a whole. I quite agree with the Honourable Member that here and there one sees patches of sunshine and in other places one can almost see the thick clouds dissipating showing their silver lining to the gaze of those who are hopeful of better times ahead. One can truly say that the Budget might have been more dismal than it is today and that nothing is so bad that it might not have been worse. I shall not adopt the role of an amateur financier and criticise the figures given by the Honourable Member, but I shall offer a few remarks on the anticipated Budget Estimates for 1934-35. The Honourable Member quite correctly states that the interest charges will be less, but he hopes that the total expenditure will also be less. Indeed, expenses will be less to a great extent if we exclude the cost projected for re-building the Sara Bridge and to meet other expenses in connection with the ravages of the earthquake on the East Indian and Bengal and North Western Railway. One cannot estimate what would be the probable cost of repairs owing to the earthquake destruction, and so I think his prognostication is rather rosier than it should be. I believe that when a final estimate is made, he will find that the total cost of repairs due to the earthquake will be almost double the amount the Honourable Member has stated.

The next question to which I wish to refer is the Depreciation Fund and which finds a very prominent place in the Honourable Member's Budget speech and is being used as the means to many ends. I have no desire to "depreciate" the value of this Depreciation Fund or to doubt

its total residue after deducting the demands that have been made on it. But I should like the Honourable Member to inform this House in what shape this Fund exists today? Is it in a fluid or a solid state or would I be right if I compare it with the position of the Civil and Military Pension and other Funds from which officers of the Governments in India have for years and years been paid their pension. We were told in England at the Joint Parliamentary Committee that this Fund was not in a solid state, but that there was no fear about the payment of pensions, for the first liability on the revenues of the Government would be and must be the payment of pensions. I should like to know in what form this Fund exists.

Sir, the next question which interests many people is the restoration of this five per cent. cut. The Honourable the Finance Member, a few days ago, made a statement in which he said that it was not the intention of Government to restore this cut and that until circumstances permitted it, he could not do so. I opine, there are two sides to this picture. Personally, I think the circumstances have not only arisen, but have past, and I do think that it is high time for the Honourable Member to realise that the cut could only be continued when faced with very serious circumstances, and it is no use continuing financial profligacy on the one hand in the case of Lee Concessions, and turning round to low-paid servants and telling them that you cannot restore the five per cent. cut. Even if the restoration of the cut is not universally possible, might I bring to the sympathetic consideration of the Honourable the Railway Member the present terrible plight of those of his employees who have been rendered homeless in the present earthquake? I refer to those employed on the East Indian Railway, particularly at Jamalpore, Munghyr and parts of Bihar and Orissa. Those employees are today homeless and deprived of all their comforts. I do not know what efforts the East Indian Railway has made to ameliorate these sufferings, but I would ask the Honourable Member whether he would be prepared to restore the five per cent. cut even with retrospective effect or make advances and loans without interest to the employees of that particular part of the East Indian Railway and also the Bengal and North Western Railway, or, at least, ask the Agent of the East Indian Railway to supply adequate funds from his Staff Benefit Fund which is in a healthy condition and to which, the Government of India, I understand, give an annual contribution of about 49 to 50 thousand of rupees.

My next point refers to the portfolio that is at present so ably held and administered by the Honourable Member. It was but a few days ago that my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, expressed the feelings of the whole House when he congratulated the Honourable the Commerce Member on the able way in which had negotiated the recent trade treaties with other countries. For the first time in the history of our country, India has assumed a position of independence in international trade treaties and has entered into negotiation with England and Japan. Now, Sir, this Department of the Honourable Member's portfolio needs a whole time Member and I would not be surprised if the Honourable Member himself said that it was today quite impossible for one Member to administer these two big Departments, Commerce and Railways, out of many included in his big portfolio. My suggestion for the consideration of Government and the Joint Parliamentary Committee, is this: The time has come, especially in view of the fact

[Lieut.-Colonel Sir Henry Gidney.]

that the Statutory Railway Board Report has hinted at a Federal Minister of Transport and Communications, that this portfolio should be divided into two, one to be exclusively engaged in the administration of Commerce of this country and the other in the administration of Transport and Communications. Sir, I go further and say, I consider that the future Federal Government will require two separate portfolios, and here I think I have the agreement of the entire House and also of the Honourable Member.

Another point which I think merits the consideration of the Government of India is the lamentable absence—although, I am glad that the Publicity Department has recently been given a new lease of life—of any effort on the part of the Government of India Railway Board to further their business relationship and to co-ordinate the views of the public together with the heads of their Departments on the Railway Administrations of this country. Sir, we all realise the great and valuable part the Press has in the past played in the world and is playing today. Might I suggest to the Honourable Member that he should set about and see that at least once or twice a year the Press of this country is brought into collaboration with the Railway Department with a view not only to helping the Railway Department in its administration, but particularly to improving railway freights, passenger traffic and, incidentally, Posts and Telegraphs, and also in the matter of marketing the produce of this country. Sir, I desire to stress this urgency of collaboration, not only regarding new industries and new parties and policies, but the potential economic and industrial greatness that is facing the New India in which aeroplanes, radios, motors and newspapers have had such a magic effect, and also the interests of commerce, trade and industries of this country.

Now, Sir, let me offer a few criticisms on the general administration of the railways. Sir, I do not desire to play the role of a carping critic, nor do I desire to indulge in destructive criticism, for criticisms are of no use unless they are supplemented with matters of a constructive nature. But, my object is to let the Railway Board see itself as others see it. There are certain points in the Railway Administration which have become a "hardy annual" of this House. On the floor of this House, we have frequently presented our views to the Railway Board; we have gone so far as to defeat them in Divisions, but our appeals have fallen on deaf ears. Let me here remark that there is one thing that merits repetition even to an *ad nauseum* extent, and it is "truth". Therefore, let me try and indulge in one or two home truths.

There can be no two opinions on this point that there is no department in the administration of the Government of India where there is such deep and sullen discontent as one witnesses today in the Railway Department is all ranks, even officials. I ask, why should such a state of affairs exist in this Department alone? I could go further and say that, in the administration of certain Railways in India, things are so bad that it only requires a match to blaze the gun-powder that is lying, awaiting explosion. I am not trying to draw an ugly or a dark picture, and I think the Railway Board will acquit me of any desire to feed these flames of unrest and discontent, for I have at all times, by word or deed, discouraged unconstitutional measures for the redress of grievances. But, Sir, I must frankly admit that my patience at times has been sorely taxed, indeed

it is today very sorely taxed. I admit also that many grievances have been magnified by political wire-pullers to suit their own ends. But even then there is never a smoke without a fire, and the Railway Board, I believe, is fully aware of the causes of this discontent and resentment and, yet, we see in certain aspects of railway administration the old "as-it-were" John Company's system of administration being continued. The settlement of all railway disputes is placed in the hands of officers who, though possessed of high technical experience and skill, are utterly devoid of any logical experience. For years this Honourable House has passed cuts calling upon the railways to form a Complaints Department either in each railway or to relegate that duty to a separate Department of the Railway Board, but to each of these demands, the Railway Administration has turned a deaf ear, although I must admit that things are better today than they were five years ago.

Let me, however, for the edification of this House and for refreshing the memory of the Member in charge of Railways, turn to one aspect of the question of appeals by the subordinate staff. The procedure governing appeals against discharge is officially dealt with in the following paragraph:

"Appeals are finally dealt with by a Divisional Superintendent or a Deputy Chief Mechanical Engineer, if the order of discharge is issued by a senior scale officer attached to the Division or workshop as the case may be".

in other words, the Head of the Department of that Division has the right to decide finally on the appeal of a man discharged by the officer next junior to him. Now, Sir, this is a Chinese puzzle in logic for, it is, to my mind, one which is every day defeating the ends of justice on State-managed Railways. I hesitate to state whether this rule has been incorporated in the appeal rules by accident or by design, but the perversity and tenacity with which the Railway Administration cling to this illogical and unjust—might I say Zoological—procedure in dealing with appeals from subordinate staff leads me to the belief that it is part of the creed of the railway officers and an unholy canon of the State Railway Administration. Sir, what does this rule signify? It limits the appeals against discharge to the next higher officer and it denies any further appeal from that higher officer. Does the Railway Board realise that that very officer, who decides finally on this appeal, was originally consulted by his junior officer and that he had already agreed to the man's discharge. I ask, what on earth is the use of appealing to that Divisional Officer, etc., when he himself has already agreed to discharging or getting rid of the man? Why cannot the appeal go to an officer higher than that? To my mind, this connotes that the Railway Board is suffering from an acute feeling of infallibility, in regard to the judgments, opinions and competence of their Agents and, the Agents, in turn, look upon the Heads of their Departments and other officers as being equally infallible. But what happens when an appeal is made? I have myself made many appeals. In some cases, through the kindness of the Railway Board or railway officers I have obtained redress, more as a personal favour, but invariably I get the reply that "the matter is within the competence of the Agent" and yet the Agent is the officer who has already discharged the man and decided on the case and refused any repeal of the original order. Sir, surely the Agent will not go against his own opinion, and, so, what is the use of the Railway Board's stereotyped reply that "the matter is within the competence of the Agent"? Sir, to my mind, in all railway matters there are three sides to every picture.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up.

Lieut.-Colonel Sir Henry Gidney: The three sides of this picture are, (1) the subordinates' side, (2) the officials side, and (3) the correct or right side. All that I want the Railway Board to do is to get at the correct or right side, no matter what the official side is and irrespective of all consequences.

Sir, I desire to deal with many other matters, but time presses and there are just one or two important points to which I should like to refer before I sit down. We have in the Railway Board a Labour Member. We have also a Director of Establishments and a large staff which costs a lot of money. Now, what is the duty of this Member? He will not—he refuses to—interfere with subordinate's grievances. He does not appoint any railway officials,—the Public Service Commission does this. He does not appoint railway subordinates,—the Agent and his Divisional Officers do that. The rules of appeal and the rules of punishments, discharges and dismissals are in the hands or the competence (save the word) of the Agent. Then, ask, what is left as the duty of the Labour Member of the Railway Board? Is it only to look after the interests of, and to secure justice for, officials? If that is so, then I think it is a very costly Department and must be retrenched. Not only that, but even between officials, the Railway Board makes a marked distinction among its officers. Let me explain: There is a service called the "Lower Gazetted Service". I have been told on the floor of this House, that this lower gazetted service is an "official" service, and yet when I brought up this very matter before the Railway Board last year and pointed out the injustices meted out to certain lower gazetted officers, I was told by the Railway Board that it was a matter within the competence of the Agent to decide. Sir, could inequity and discriminatory justice sink to deeper depths, I don't think so. Sir, I am convinced that these appeal rules must be radically altered, and the Railway Board must realise that there is some justice and some substance in the demand made for years by this House for a proper court of inquiry into complaints being established either on every railway or as one Department attached to the Railway Board.

Sir, there is just one more point on which I wish to touch before I sit down. It refers to a very important matter which has been exposed on the floor of this Honourable House by a series of questions, asked by Mr. Maswood Ahmad. It refers to the lower gazetted service. This lower gazetted service was formed in 1930 and began to operate in 1931. It was meant almost entirely for the benefit of subordinates. Indeed I am right when I add that the birth of this service sounded the death knell of other services called the "Local Traffic Service" and "Provincial Railway Services". That the lower gazetted service was meant almost exclusively—(the word used by the Railway Board Member last year being "generally"),—for the promotion of able and experienced subordinates is indisputable; but to this service selection is left to the Agents who submit their nominees to the Railway Board for final decision. Sir, what is the position of this lower gazetted service today? *En passant!* I challenge the Railway Board to institute an inquiry with a view to find out how many appeals submitted against the orders of lower officers have been upheld by higher officers. Also let them inform the House how many subordinates have up to today been recruited in the lower

gazetted service of State and Company-managed railways. Is it not a fact that about 15 out of 16 lower gazetted service appointments in the Engineering Department of the Great Indian Peninsula Railway are occupied by officers who were once temporary engineers and surplus to the staff and who, instead of being retrenched, as has been done with surplus subordinates, have been sheltered in the lower gazetted service, thus depriving a body of worthy and efficient subordinates who awaited promotion as their reward for long years of service? Sir, I consider this pre-eminently a case of absolutely studied jobbery. These are hard words, I know, but they are words that are pregnant with truth; and this is only one instance to prove to this House that subordinates have been studiously kept out of this service and that it has been filled by officers who should have been retrenched, but who are kept there till such time as vacancies occur in the official grade when they will be promoted. I know this is a matter which the Honourable Member will take up, because he has always given clear evidence that such injustice will not escape his vigilant eye and his acute sense of justice if brought to his notice. But I think Agents should not be given independent power of selection if this is the prejudiced way they are accustomed to use it. It is not a proper use of the power of selection. Another point is the continuance of officers writing demi-official confidential reports against subordinates. The Railway Board may say that the practice is dead, but I challenge them to prove it. I say it is still alive and it is being practised all over the railway system. I can cite instances on the floor of this House, but I will not weary the House though I am prepared to do so at any future opportunity.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Lieut.-Colonel Sir Henry Gidney: All right, Sir, I thank you. There is one point into which I want the Railway Board to be kind enough to enquire, and that is the continuance of a very unjust distinction which is being made between the old Oudh and Rohilkund Railway and the East Indian Railway employees. The highest appointments in the Oudh and Rohilkund Railway (now amalgamated) are held by the East Indian Railway officers and it is rarely that the Oudh and Rohilkund Railway subordinates and officers get any appointments or promotions under the present regime. They are denied a square and honest deal.

Sir I will conclude my remarks with one appeal to the Railway Board, and it is this. The time has come when India must be prepared to take over the entire control of her railways, and, as the time has come when the closed book of the army must be opened to the eyes of the Members of the House, even if it be the preface, so must a beginning be made with the railways. We cannot control our railways unless we have the manufacturing and the building of all the wagons and carriages and engines in this country. Today we have to spend hundreds of thousands of pounds in indenting on foreign countries, including Germany, for the supply of locomotives. Surely the Government of India have got the imagination and the political foresight to realise that a beginning in this direction must be made now. I submit we should train our men in this country by bringing out the best of skilled British and other engineers from England, so as to erect up-to-date machinery and have not only repair shops, but shops to produce engines and everything that our railways

[Lt.-Col. Sir Henry Gidney.]

demand. When that is done, India can think of administering her railways and nationalism and Dominion Status; otherwise she will ever remain dependent on other countries for her vital needs.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa Muhammadan) Sir, I dare not congratulate the Railway Member and the two representatives of the Railway Board on the financial results, but I will certainly congratulate the Railway Member and the two representatives on their attempts to make the best of a bad job.

Sir, I do not want to go into the figures at this time, because, as a member of the Standing Finance Committee, I myself feel that I am a party to the passing of many of the figures which I find in this book; and I want to inform the House and Members on this side that there is nothing new in this Budget. Everything which is in the Budget is the same as in previous years. The pen is the same, the man, who has written this speech, is the same, the brain is the same which dictated the speech last time, and the facts are the same as in the last year's report.

Dr. Ziauddin Ahmad: The figures are not the same.

Mr. M. Maswood Ahmad: Though the figures are not the same, the results are the same. What do you find in this? You find that the income is less than the estimate. That was the case last year also and the year before last as well. Every year you find that the income is less than the estimate, and it is not a new thing this year. Then you find that the expenditure is more than the estimate. This is also not a new thing, because every year you find the expenditure is more than the estimate. Then you find here some pious hopes that in future years there will be some more income. That is also not a new thing, because every year you will find these pious hopes in Budget speeches. There are explanations which are nothing more than to lull children to sleep. That is also not a new thing for this year only. These are things which you always find in the speech on the Railway Budget and in the Budget speech of my Honourable friend, Sir George Schuster. Now, I want to remind the Treasury Benches that the criticism and these opposition speeches also are not new things. But I really want to know from the Honourable the Railway Member and his two lieutenants, whether they have ever examined the causes of this deficit Budget. Have they examined what are the real causes for the income being always less, and the expenditure always more, than the estimate?

In page 50 of the Explanatory Memorandum, you will find that the total passenger earning in 1929-30 was 35 crores and 75 lakhs, in the year 1930-31, it came down to 31 crores and 68 lakhs, it further came down in the year 1931-32 to 28 crores and 96 lakhs, again it came down in 1932-33 to 28 crores and 94 lakhs; and, in the revised estimate, it came down to 27 crores and 80 lakhs. So, Sir, it is clear that year by year the number of passengers travelling in the railways is decreasing. It has been admitted by my Honourable friend in his speech, that our passenger earnings are now expected to be about a crore or nearly four per cent. below what we earned in 1932-33. This question should be considered by the Railway Board, as to why our travelling public are not using the railways in the same way as they used to do in

previous years. The main cause is not depression, because we find this year that the goods traffic earnings have increased from Rs. 53.75 crores to Rs. 57.29 crores, while the number of passengers and earnings from passenger traffic have decreased. The reason is this: the timings on the railways are not good and the comforts which the third class travelling public get are not sufficient: the railway servants do not consider themselves to be public servants; rather they think that they are the rulers and masters of the travelling public. You find that the treatment meted out by the station staff at railway stations is not sympathetic to the travelling public, and the comforts which they get in the trains are not as much as they get in the motor services. That is the main cause why the number of passengers is decreasing every year, as I have shown from a chart for six years.

Another point is that whenever any suggestion is made on the floor of this House that a certain thing should be done, my Honourable friends on the other side are ashamed of accepting any suggestions from us: they think it is a disgrace for them to accept any suggestion from the representatives of the public. I do not want to waste the time of the House in quoting instances of replies sent to me—always typed out in this form—I myself have got about 10 or 12 such replies—"It is unworkable", "It will involve expenditure", "It will increase the mileage of the train", etc.—these are the three or four typical sentences which are always quoted by the Railway Department and by the Agent in reply to suggestions sent to them by the public. That is the main reason why the travelling public is practically boycotting the railways year after year and preferring to travel in motors.

In this connection I wish also to mention another point: Members in charge of the different Departments have got some tenure of office—they work for a certain period of years. The Government of India have realised the need for this principle in other Departments as well: they have now made it a rule that the Director General of Posts and Telegraphs will hold office only for a certain number of years, and they have appointed a new Director General now; but you will find that there is no tenure of office in the Railway Board. Once a man becomes a Financial Commissioner or a Chief Commissioner, he can go on working for any number of years. (Interruption.) My friend says that there is some limitation of time—five years perhaps: I am glad to hear if that is so: then I leave this point and will make further enquiry. My information was that it was not so—it may be a wrong information. My Honourable friend should also enquire into the matter.

Reference has been made by one or two speakers to the fact that there are so many questions on these railway subjects that most of the time of the Financial Commissioner is taken up in replying to these questions. On this point I want to inform the Honourable Member through you, Sir, that we have got no other alternative but to put these questions here. I have got about half a dozen letters with me—I can show them to my Honourable friend if he wants to see them—whenever I wanted to get any information from any Divisional Superintendent, he says he is not in a position to supply me that information. I put that question in a supplementary form one day to my Honourable friend, and he said, he was not aware of it: but I have got half a dozen letters from District Superintendents to say that they are not in a position to let me have any information unless they get some instructions from the higher officers: then I wrote to the Agent—I have three letters from the

1030

LEGISLATIVE ASSEMBLY.

[19TH FEB. 1934.]

[Mr. M. Maswood Ahmad.]

Agents as well—and the reply was that I am not entitled to ask these questions unless I put them on the floor of this House. If that is so, what is the alternative for the Members? This is the way in which things go on: we have no other alternative but to put these questions, and we cannot, therefore, be blamed for doing so. It is the Railway Board and the Agents who are responsible for wasting the time of the House.

Mr. N. M. Joshi: Why do you not write to the Honourable Member?

Mr. M. Maswood Ahmad: I have written to the Honourable Member about six months ago, and Mr. Hassan, who is sitting there, has not sent me an information wanted uptill now. A week ago, I received a letter from my friend, Mr. Colvin, to the effect that he had been pleased to inform me that I might see him in his office: that is what happens.

Next comes the question of supersession. My Honourable friend, Sardar Sant Singh, mentioned something about it. I want to say that this is not a new thing in this Department. All the communities supersede each other: the Europeans have superseded the Hindus; the Hindus have superseded the Europeans as well: it is only the Muhammadans who have never superseded any one.

An Honourable Member: What about the Sikhs?

Mr. M. Maswood Ahmad: They have also superseded other communities.

As regards the appeal rules, I want to say something. It is a very important question. What happens at present is that whenever an appeal is made to the District Superintendent or Agent, practically the same officer, who decided the case originally, decides the appeal as well: whenever an appeal goes to the Agent, the Agent sends that appeal to the District Superintendent and the District Superintendent asks for information and explanation from the officer who passed the order; and all the officers, one by one, endorse the idea and agree with the subordinate's view. The result is that practically the same officer, who first passed the order, hears the appeal and decides the appeal. (Interruption.) My Honourable friend says that the same clerk writes the note. That is true and there should be some change in that system. In this connection I would suggest that there should be a different body constituted like the Public Services Commission which should hear all appeals of Government servants. After all, these Agents and District Traffic Superintendents and other officers sometimes feel that, if they decide the appeals against the order of their subordinates, they will mar the discipline, their decisions will go against the prestige and create a bad impression upon the subordinate officers. Therefore, I suggest that a new body like the Public Services Commission should be created to hear all appeals of Government servants, because the members of that body will not be under any influence and they will not care to attach any importance to the prestige and things of that kind, and in this way the appeals will be heard impartially and the employees will get better justice than at present.

Then, there is another thing, Sir. Nowadays I find that small stations are erected on branch lines and are called halting stations. It is

certainly a very good thing to have halting stations, because these halting stations are a great help to the poor villagers who are able to take better advantage of these stations being in closer proximity to their villages, and I think this idea of opening halting stations will increase the railway earnings. But, in this connection, I want to point out one thing. If you are going to increase the halting stations, there must be express trains also on those lines. You should not ignore the interest of those who are travelling on longer journeys, because, after having these halting stations every two or three miles, the real benefits of the train, i.e., the quick means of transport disappear. The passengers who wish to go from one station to another find great difficulty, because every five or six minutes the train stops at these halting stations, and, therefore, I suggest that on lines where there are four or five trains running, there must be an express train also. For instance, I may cite one instance of the Patna-Gaya line. The distance is only 57 miles, and it takes three hours to go from Patna to Gaya. I addressed a communication about this matter to the authorities concerned, and the reply I got from the Railway Department said that, as the distance was 57 miles only, it did not justify to have an express train. These are the words contained in the reply which I got from the Railway Board, and I am not at all convinced about this argument. Sir, the distance between Cawnpore and Lucknow is only 45 miles, but there are two mail trains and three express trains running between these two stations. If my friend is pleased to create halting stations, every two or three miles, on the Patna-Gaya branch, it will take, I think, more than three hours to reach Gaya from Patna and *vice versa*. Sir, this is a very important line, and it deserves to have an express train. I hope the authority concerned will consider this point sympathetically.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has got only one minute more.

Mr. M. Maswood Ahmad: Very well, Sir. One suggestion has been made regarding the transfer of the Jamalpur Workshops from Jamalpur to Calcutta. Sir, I would suggest that in these hard times, when Bihar has been afflicted with an earthquake, if the Jamalpur workshops are removed to some other Province, it will mean another hardship to the inhabitants of my Province, because it will throw out of employment thousands and thousands of people. They have already lost most of their houses, and most of them are now living under the shades of big trees, and if these workshops are also removed from Jamalpur, it will create very great hardship to the poor people. The workshops should not, therefore, be removed from Jamalpur.

Then the last point to which I desire to draw the attention of my friend, the Honourable the Railway Member, is about the consolidated allowance that is given to the Travelling Ticket Examiners. They are paid Rs. 15 only a month and, in some cases, Rs. 20. I would really ask my friend sitting over there, what sort of menu would he suggest for eight annas a day. Even coolies of District Traffic Superintendents get nine annas a day, while these very poorly paid Travelling Ticket Examiners are paid only eight annas a day. Even *puries* are sold at eight annas a seer, and Honourable Members know that eight annas will be sufficient for only one meal. No menu can be prepared for that sum. These people are very poorly paid, and if their travelling allowance is also paid on such a poor scale, the authorities will not be able to remove

[Mr. M. Maswood Ahmad.]

their needs, and these people will have no other alternative but to supplement their income by some other means, and if these people are compelled to resort to such means, those means will be far more injurious to the Department, and the Department will eventually find that to give these people sufficient travelling allowance would be much better than allowing these people to resort to such unfair means. I hope my Honourable friend will consider these points carefully.

Mr. President (The Honourable Sir Shanmukham Chetty): The House now stands adjourned till a quarter past two.

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 Sir Shanmukham Chetty) in the Chair.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I must congratulate the Honourable the Railway Member for the extremely lucid manner in which he has presented this Budget. Want of lucidity is not one of his faults, whatever other faults he may have, but at the same time there is a great sense of humour in his speech, and it is that which invariably enlivens the whole thing. For instance, he first refers to the changes in the forms that have been made and referring to the inclusion into the accounts from 1934-35 of the worked system or working system, that is to say, where the railways work for a system belonging to other persons. He says, I am perfectly sure with a very, very high sense of humour, that the Legislature, when these accounts are amalgamated, will have a right to vote—to vote on what? On the amount that you have got to pay to the owners of those systems who allowed you to work, and not only on that, but also on the amount that under agreement you have got to pay for the actual work that they do. I wonder what Sir Arthur Dickinson thought when he said that he was going to give us the right to vote an expenditure which we have no alternative but to vote. In that way the whole speech is occasionally interspersed with flashes of humour, and were it not for the somewhat tragic story that the Honourable Member has got to state, due to circumstances beyond his control, it would have been a piece of workmanship worthy of the occasion and worthy of the author. But as it is, there are a few points which I would respectfully submit for his consideration. The most important thing is the cause that led to the falling below his estimate of the amount of income. He has placed in the forefront the fall in the income from passenger traffic. Is he really surprised that there is a fall in the passenger traffic? As my Honourable friend, Mr. Maswood Ahmad, has said, the timing of these railways are so framed as if with a malicious intent that a passenger who starts from one place in order to reach his destination, say 300 miles away and has got the misfortune to change from one railway to another—I say the timings are so adjusted

that by the time one train arrives at the outer signal the other train is off, and the passenger has got to wait two hours or three hours before he catches the next train. Is the passenger quite satisfied? I do not know if any Honourable Members are aware that years and years ago, when the late Sir John Gorst was the Under Secretary of State for India, a question was put in the House of Commons regarding the late arrival of trains in India. Sir John Gorst said that for a nation which goes to the station and sleeps there to catch the early morning train, a few hours' delay would not much matter. That is what he told them. Now, we have progressed a good deal from that mentality, and the most important difficulty that we experience is that the time tables are not arranged to suit the convenience of the passengers, with the result that if there is a man who has got a bus service from the place where you stop this passenger, the passenger looking to his own interest gets down and gets into the bus and goes off. What is the good of complaining about the competition that the running of the bus enters into with the railway? The most important thing is to remember that the passengers do not exist for the railways, but that the railways do exist for the passengers. Another difficulty is this. If anybody has gone to Bezwada, and I invite my Honourable friend, the Railway Member, to do, not by travelling in his saloon, but just to travel as if he were shorn of all the glory and paraphernalia of his office—let him go by some train from Hyderabad and get down at Bezwada, and, if he wants to take the train to Madras, he has got to walk a quarter of a mile from one end of the platform to another, and if there are women and children, at 10-30 P.M., when the Calcutta Mail comes there, to pass from one end of the platform to another with the sort of lighting that some of my Honourable friends have described regarding the inside of the third class passenger trains, then he can understand the difficulty, and if you find passengers from the other side of Bezwada getting into the bus and going off to this side, say to Tenali and other places, what is their fault? The fact of the matter is—I do not care whether it is the first class passenger, or second class passenger or third class passenger,—excepting when the staff know that there is a man with some authority—he is invariably—I say that without fear of contradiction—he is invariably treated in such a way as if he were not a human thing. Of course, if the staff knows who the man is or if the staff comes to know that the man would stand up and fight, then everything is quiet. That sort of treatment must be abandoned. Fares must be lessened, and I am very glad that they have been trying this experiment in the East Indian Railway, and I would suggest, if I may, that the same experiment may be tried in Southern India on the South Indian Railway system. There you have got the most congested third class traffic from one end of the South Indian Railway to another. There is scope for any number of trains and they did run them, but nowadays they have stopped it. You ought to see the way the passengers are treated. That, Sir, reminds me of a little incident where a man applied in London for the conductor's place on a tube railway. He was asked: "Have you had any experience of conductorships on tube railways?" He said: "No, but I have packed sardines". That is the way these persons are crowded in and, I think, if my friend makes that experiment down south, he would find that there has been such a large number of passengers as would enable him to run more trains, with greater regard to the convenience of the passengers which would ensure that enlargement of the passenger traffic which existed, as my friend Mr. Maswood Ahmad pointed out, up to 1930.

[Raja Bahadur G. Krishnamachariar.]

The next point is about goods traffic. I am glad the goods traffic is recovering but there is only one little suggestion I would like to make, if it is possible to give effect to it, to the Railway Department. I sent a rice bag from Hyderabad to Delhi and it took 32 days to arrive in Delhi. If you are going to convey your goods traffic in that manner, I do not think there is much chance of your increasing your goods traffic. The public are put to a great deal of difficulty, because there is no other way by which these commodities could be transported. What I would suggest is that at least once a week there should be one through goods traffic service from one end to another, in which only those commodities should be transported which are intended for very long destinations, so that there may not be any necessity to telegraph from junction to junction in order to find out where the bag is. If you ask the goods staff, they start telegraphing in order to find out where the consignment is. Therefore, I submit that there should be at least once a week one goods traffic service for consignments intended for very long destinations, the other local traffic being served by what they call the mixed trains, in which goods wagons are attached to passenger trains. That will not be any difficulty to the passengers at all. The goods can be easily loaded and unloaded. If my Honourable friend would accept my suggestion, in spite of the objections that might be made that it is not possible to adjust the time table, and sees that a passenger who travels a long distance is not put to the trouble of waiting at intermediate stations, in order to catch another train, which probably leaves a few minutes in advance, I assure him that, in spite of the depression, he will get a better return on his passenger traffic. The depression might continue, but the men have got to travel from one place to another. They have been accustomed to railway travelling and it is not possible to abandon that habit now. In that way, there might be a deficit of five or ten per cent., but not in this huge manner—10 crores out of 35. I would ask that these things should be taken into consideration.

There is one matter to which my friend, Mr. Amar Nath Dutt, referred which I could not understand. Why in calculating the profit and loss account for the railways these strategic railways should be added to the Railway Budget. We have been protesting here that the expenditure on the army has increased a great deal, and why should such an arrangement be made that the two crores loss on the strategic railways is shown against the Railway Budget, instead of against the Army Budget? It is true that they are railways, but they are not intended for the public. They are not commercial lines. They are intended for strategic purposes in order to serve the military and I am told that the railways do not even run every day. What I submit is that the accounts relating to strategic railways should not form a part of the Railway Budget and that they should be separated from it entirely in order to show where we stand and how we can improve.

There is one point which I do not know if it has pointedly drawn the attention of the Railway Member in Mr. Amar Nath Dutt's speech and that is about a certain bridge on the way to Darjeeling. I suppose it is the same bridge which is now going to be repaired at a cost of a crore and a quarter, but whether his pointed attention was drawn to it or not, there is a highly philosophical and moving sentence in the Honourable Member's speech which ought not to be allowed to go unnoticed.

He says: Once again have the unchained forces of nature proved the limitations of human skill, attainments and experience. Now, it is not a question of any human skill or experience. The fact of the matter is that they do not select the very best men in order to fix up these things. You know very well the dispute that arose over the fixing of the site for the Mettur project. I hope that the present site that they have selected would not give way. I have nothing to say against engineers. They are clever men. I do not like to be understood as referring to any particular individual. My point is that sufficient attention is not paid to the selection of the expert staff in order to deal with these extraordinary forces. You have got to select the proper men for this work. You have got to be very careful in the execution of the work, and then, of course, if an earthquake comes, no one can help it. The whole question is, whether due attention was paid at the time, when this bridge was erected, to the suitability of the local conditions and to the experience of the vagaries of the Ganges. I happen to know certain incidents which I would much rather not tell this House where big engineers did things, but unfortunately they all went wrong and yet people in the locality told them that the scheme would not work. These people, simple villagers, were brushed aside. I should like to narrate this incident briefly, but I do not know how much time I have got.

Mr. President (The Honourable Sir Shanmukham Chetty): One minute more.

Raja Bahadur K. Krishnamachariar: One thing I would say. In the cantonment of Secunderabad, very big engineers came in order to fix up a water supply project, and they went to acquire land for which the Nizam's Government is still paying Rs. 50,000 a year as compensation and they encircled a huge big tank called the Jeadmatta tank. The villagers there said: "This is a thing which will never work." Of course the villagers did not know anything, because the engineers had their levels and all their other paraphernalia. They started the tank. It worked for one year, but, from the second year, it became a failure, and were it not for the fact that there was another big work of water supply in another place, this thing would have come to grief. Sir, I hope there will be other opportunities of referring to other things which I would like to refer to, but I would only say this now that when you launch upon big things, select your men, do it properly, and leave it to the forces of nature to have their way. With these words, I would respectfully commend to the Honourable the Railway Member the few suggestions that I have made and would ask him to give us relief in the matter of long travel.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Sir, I should like to offer my congratulations to the Honourable the Railway Member and to his Department on the way they have managed this huge Department in a very difficult year. I also hope along with the Honourable the Commerce Member that we have reached the peak of what he called the crescendo of deficits and that the current year, and, more particularly, the next financial year, will mark the disappearance of all these deficits which have been creating such a havoc in the railway finances of our country. If I offer a few suggestions at this stage, it is not so much by way of criticism, as to try and understand better the Railway Budget and be helpful to the Commerce Member and his Department.

[Diwan Bahadur A. Ramaswami Mudaliar.]

I am sorry I miss my Honourable friend, Dr. Ziauddin Ahmad, because it so happens that the subjects on which I am going to touch are those on which he dwelt this morning and my views differ somewhat radically from the views that he expressed this morning. I shall take up, first of all, the question of the operating ratio or the working expenses on which the Honourable the Chief Commissioner dwelt in his speech in the Council of State. The Chief Commissioner pointed out that the operating ratio in this country is much less than that in foreign countries. He pointed out that in the year 1932-33 the operating ratio was only 57.3 per cent, if we do not include the appropriation to the Depreciation Fund and 73.4 per cent, if we include it, and he compared it with the very high figures—84 per cent, for the Canadian National Railways, 85½ for the British railways, 96 for the United States of America Railways, and so on. Sir, it would have been much fairer if the Honourable the Railway Member had traced the development of the operating expenses in this country and had shown how they have steadily increased during the last ten years. In the excellent memorandum that has been supplied to us explaining the Railway Budget, you will find at page 49 that the operating ratio, including depreciation, has gone up steadily from the year 1924-25. While it was 61 per cent, in 1924-25, it went up to 64 per cent, in 1925-26 it jumped up to 66 per cent in 1929-30, 70 per cent in 1930-31, 72 per cent in 1931-32, and 73 per cent in 1932-33. I should like to have an explanation of these increases. It may be that this is due to a revision of salaries, it may be that this is due to the larger employment of personnel, but a more interesting question I should like to suggest to the Honourable the Commerce Member is this. The operating ratio shows a remarkable divergence from one railway system to another. If you take the figures of the various railways, you will find that this operating ratio varies to a considerable degree. Take the Madras and Southern Mahratta Railway, for instance, and I am now taking the operating ratio including the Depreciation Fund. On the M. and S. M. Railway, in 1932-33, the operating ratio was 60.9 per cent, in 1933-34, 60 per cent, and, in 1934-35, it is hoped it will be 59.8 per cent. On the South Indian Railway, it was 64.4 per cent in 1932-33, 65 per cent in 1933-34, and is expected to be 65.6 per cent in 1934-35. On the East Indian Railway, the figures were 65.3, 63.8 and 62.6 for those years, respectively. Now, take the North Western Railway, whose figures are used so largely in all these discussions. You will find that the operating ratio there is exactly what the Honourable the Chief Commissioner deprecated with reference to foreign railways. It was 81.6 per cent in 1932-33, 81.8 per cent in 1933-34, and is expected to be 81.3 per cent in 1934-35. Surely there ought to be some explanation why the operating ratio in one set of railways is so heavy and it is so much less in another set of railways. I am aware that the addition of the Depreciation Fund makes a very large difference in these matters.

Mr. F. E. James (Madras: European): Does that exclude strategic railways?

Diwan Bahadur A. Ramaswami Mudaliar: Yes. I am aware that the inclusion of this Depreciation Fund does make a difference. The way in which the Depreciation Fund is calculated is so curious that, without any fault of the railway system, it can affect the operating expenditure a

great deal. Deducting the Depreciation Fund, you will find almost the same result arrived at. For the Madras and Southern Mahratta Railway, the proportion is given excluding the Depreciation Fund. You will find the operating ratio excluding the Depreciation Fund to be 48.8 in 1932-33, 48.8 in 1933-34, and 48.3 in 1934-35. For the North Western Railway, excluding depreciation—and here I believe is a fairer test of the way in which the two systems are worked—the figures are: 61.8 per cent for 1932-33, 62.4 per cent for 1933-34, and 62.9 per cent for 1934-35, or nearly 20 per cent more than on the Madras and Southern Mahratta Railway. I should like to have an explanation from the Honourable the Railway Member as to why there are these vast divergences between the operating ratio on one system of railways and that on another system of railways.

Let me next refer to another point which was referred to by my Honourable friend, Dr. Ziauddin Ahmad, and that is relating to the Depreciation Fund. I do not know what the position of this fund is, but if I understood my Honourable friend, Dr. Ziauddin, or my Honourable friend, Sir Henry Gidney, it would seem as if this fund was conveniently pocketed by the Honourable the Railway Member and that the Railway Department have walked away with this Fund and nobody knows where it is. Some political capital was sought to be made with reference to another fund—the Pension Fund—by the diehard section in England and we all know that that fund is quite safe. The Secretary of State assured them that that was quite safe, and I am perfectly certain that the Depreciation Fund similarly is as safe as the Pensions Fund is safe. But that is not the point. The Honourable the Commerce Member in his speech suggested—and I was sorry he suggested it—that the question of the re-examination of the basis on which the Depreciation Fund should be allocated or arrived at should be held over for a future date. Last year we made a suggestion that we should examine the question of the Depreciation Fund and find out whether the rules under which that fund is being credited are applicable to this day or they require revision. The Honourable the Commerce Member suggested that the time for inquiring into this will be concurrently with other important financial questions which must be settled in connection with the future changes in the administration of the Indian railways. I should like to have a more clear exposition of the reason why he came to this conclusion, but I would venture to point out the immediate disadvantages of postponing a decision on this question. My submission is that the Depreciation Fund is out of all proportion to the real needs of the situation. If you only go through the Explanatory Budget Memorandum, you will find that while the Depreciation Fund has been credited in various years with 10 crores, 11 crores, 12 crores and 13 crores, the amount that has been used during the year out of this Depreciation Fund has been very much less. In fact, for the current year or the coming financial year, the Honourable the Commerce Member has agreed that there would be a large amount to the credit of the Depreciation Fund. What are we doing now? We are juggling with figures and making paper transaction in order to put into the Depreciation Fund 13 crores and we only draw out, during the next financial year, even if you include the earthquake disaster and the Hardinge Bridge, about 8½ crores. Now, you turn round and say that you want a loan of five crores from the Depreciation Fund. Why not have a straightforward transaction and revise the rules relating to the

[Diwan Bahadur A. Ramaswami Mudaliar.]

Depreciation Fund, so that you credit only eight crores which the revised rules may compel you to do. Then, there will be no necessity of this fiction of borrowing from the Depreciation Fund which my Honourable friend, Dr. Ziauddin Ahmad, deprecated. What is necessary is not to stop the borrowing from the Depreciation Fund, but what is fundamentally necessary is to revise the method of arriving at the figure that is required for the Depreciation Fund and only put into the Depreciation Fund that amount which is required according to the new rules that we frame for the calculation of these things. It seems to me that there is something radically wrong with these rules which were framed in those early days when the Depreciation Fund was first started. Those were the days when the railways were earning enormous surpluses; we were able to pay all our interest charges; we were able to put a large amount for reserve fund; we were able to give a large amount to the general revenues, and still they found a large amount at their disposal. Therefore, I suggest that the rules framed for the Depreciation Fund were on a generous scale and they wanted to put back as much amount in the Depreciation Fund as they possibly could. In those days, they put in more either in the Reserve Fund or they gave more to the Depreciation Fund. That situation does not arise now. If you examine the manner in which the Depreciation Fund has gone up, you will find the utter absurdity of it. The Depreciation Fund has some relation to the capital employed in the railways. What happened was that, in 1925 or 1926, there was a large increase in the capital expenditure and the Depreciation Fund immediately jumped up from 10 to 12 crores and went up even to 13 crores. It is well known that, where there is a large capital expenditure involved, the necessity for a Depreciation Fund with that new capital is very little at least in the starting years. The necessity may become greater later, so that the amount that has been put into the Depreciation Fund has no relation at all to the necessities of the case, but is merely a mathematical calculation rather than a calculation based on the necessities of railway renewals or whatever other things there may be for which a Depreciation Fund is meant. It seems to me, therefore, that this policy of putting up the Depreciation Fund and putting aside 13 crores or 14 crores a year is not the correct policy, but that the time has come when the whole thing should be reviewed. For this reason, you will find from the Budget Memorandum and also in the speech of the Honourable the Commerce Member that the Depreciation Fund has given a loan of 39 crores or we have taken a loan of 39 crores. What is the effect of it? When the time comes for the Railway Board to contribute its legitimate share to the general revenues, and we hope that time will come when we have turned the corner and are making profits, what will happen? This loan of 39 crores must first be paid to the last pie before the general revenues can get any benefit at all. It seems to me that it is unfair to the general revenues that this fictitious loan to the Depreciation Fund should be kept up with the result that at a time, when we are making surplus profits from the revenues, the Depreciation Fund will claim all the money that we can make and the general revenues will have to wait at least for a period of ten years before they are able to get a pie out of railway earnings. I venture to submit that by artificially keeping up this Depreciation Fund at this high figure, you are not fair to the railways. You are not showing the correct position of the Railway Budget and you are not fair to the general tax-payer. And if the time should ever come, apart from

the contributions to the general revenues, when you can reduce the passenger traffic or do anything in that direction, there again these 39 crores, which you have put into the Depreciation Fund, will block your way from carrying out any such reform. On these grounds, I think the Honourable the Commerce Member will be well advised to revise his decision with reference to the Depreciation Fund and bring about an immediate settlement on this question. In fact, I would go so far as to suggest that retrospective effect at least for the last five years should be given to the new rules which will be framed with reference to the Depreciation Fund, so that this fictitious loan from the Depreciation Fund may disappear as early as possible.

Now, Sir, let me touch on another question, the question of the railway and bus competition. I am one of those who feel that when we are having the railways as a monopolistic concern of the State, we should take every care to see that the earnings of these railways, the profits from these railways, are protected. I venture to go so far as to suggest that if the bus traffic or any other traffic, which has not established itself and has not got vested interests, comes into competition with the railway traffic, it is the bus traffic that should go and not the railway traffic. I find a note of apology in the course of the speech of the Honourable the Commerce Member. That may be justified by the difficulty that he felt in inducing Local Governments and other interests concerned to come to an agreement at the Railway and Bus Conference which was held at Simla. But I do venture to think that when this is a State concern and when the benefit of it goes to the whole of the State, that is, for the benefit of the entire public, then it ought to be the duty of all of us to support every proposal that is brought forward by the Government to safeguard the interests of the railways and to safeguard the earning capacity of the railways as against those vested interests which have come into existence. It is our experience, travelling from Kalka to Simla every time, when we go to Simla, to see that cut-throat competition exists with reference to motor cars. You can get a motor car for Rs. 12 or Rs. 14 at any time even in the busiest season when the Legislative Assembly and the Council of State Members go. These cars carry four people and the fare comes to Rs. 3 or Rs. 3-8-0 per head and the passengers travel more comfortably than even those who travel by rail motor. Government some time back took the opportunity of delaying the process of this travel and they fixed the time of 4 hours or 3½ hours between one Police *chowki* and another Police *chowki*. Neither from the point of view of safety of traffic, nor from the point of view of reducing the motor traffic has it been of any use. What happens is this. The motor car man dashes off at a speed of about 40 miles and then waits for 20 minutes or so at some intervening station, so that he may enter his destination according to the regulation. Something more radical must be attempted if this cut-throat competition is to cease.

Lastly, I wish to say a few words about the passenger receipts. I do not know why the experiment of reducing third class fares is made only on the N. W. Railway, and why not in the case of the Madras and Southern Mahratta Railway. In the case of the N. W. R., we have already seen that the operating ratio is much more than in the case of the Madras and Southern Mahratta Railway. We get very few of these concessions. I am sure, my Honourable friend, Mr. James, will agree with me that barring return tickets to Bangalore and perhaps to the Hill station

[Diwan Bahadur A. Ramaswami Mudaliar.]

of Ootacamund, there are no return tickets whatsoever except during the Christmas holidays, either of the higher classes or of the lower class. But in the case of the B., B. and C. I. Railway, the East Indian Railway and the North Western Railway, these return tickets are issued. Why are the Government not in a position to regulate these things with reference to the Madras and Southern Mahratta Railway, when the South Indian Railway does give some sort of concessions in these matters on its metre gauge section? How can passenger traffic be promoted if the railway system is so antediluvian and so wooden that it does not even follow the example of its own sister companies and continues its own old ways unhampered by any criticism of the Railway Board and unchecked by any control of the Honourable the Commerce Member or of the Railway Board. I am not making any complaint against the Agent of the Madras and Southern Mahratta Railway or against any of its officers, but I venture to think that just because they are Company-owned railways and more perhaps because they are so far away from the seat of the Government, namely, Delhi, the Railway Board and the Commerce Member should not close their eyes to what is happening in the Madras and Southern Mahratta Railway, and confine all their attention to the North Western Railway. It is a matter which requires serious attention. The whole policy of concessions should be re-examined and made uniform on all the railway systems. If it is given in one place, it ought to be given in another place. If railway passenger traffic is promoted by these concessions on the North Western Railway, it stands to reason that it will be equally promoted and facilitated by concession on the Madras and Southern Mahratta Railway. I venture to put forward both from the point of view of traffic earnings and from the point of view of convenience of passengers that these concessions ought to be extended by the M. and S. M. Railway which is half a generation or more than a decade behind in this matter.

One last thing that I should like to refer to is the Publicity Bureau and the Publicity Office. I am very glad, indeed I am not one of those who feel that it is not the right place, that a publicity office has been established in London and New York. I have seen both these bureaus, I have been to both of them; my only complaint is that because there is no sufficient imagination shown or perhaps there is not sufficient money put forward, the Publicity Bureau in both places suffers from want of adequate publicity. I had the opportunity of walking into the Publicity Bureau in the Hay-Market on more than one occasion. Two years ago, all that I could see at the windows were the donkeys of Simla and the asses of Delhi in procession. (Laughter.) I am not using this in a figurative sense. (Renewed laughter.) That was literally the poster placed there; now it has slightly improved. We have at least got a sectional view of some of these railway carriages in India. Here let me say from my wide experience of railway travelling all over Europe and many parts of America that railway travelling in India is the most luxurious of all forms of railway travel prevailing all over the world. There is nothing which can beat railway travelling in India. I am now speaking only of the upper class—the first and second class—and not of the third class passengers. So far as the upper class travelling is concerned, railway travelling in India is more luxurious than anywhere else. My Honourable friend, Mr. Dudhoria, wanted sleeping cars for third class passengers on the analogy which he said is prevailing in America. If my Honourable friend had only visited

America, he would have found that there is no such thing there, and where there are sleeping carriages for third class passengers, you have to pay a very heavy supplemental fee which is far in excess of the original third class fare. Here, in India, if you purchase a first or second class ticket, you are entitled to a sleeping berth. In no other country in the world do you get sleeping accommodation without paying a supplemental and, may I add, a very heavy fee for the sleeping accommodation. What I wanted to suggest was that these Publicity Departments should do their work more adequately. In fact, it is common experience that a Tourist Agency like Cooks has got more information at their disposal, more photographs, more views and more attractive books published and placed at their disposal than these bureaus. I venture to think that it would be a very good thing if this publicity work is improved. I agree with the Chief Commissioner when he said and I hope that that fact will be borne in mind by many people in this country that the tourist traffic should be welcomed as far as possible in this country, that it adds to the wealth of the country, that it is one of the things on which a country like Switzerland depends for its existence. The whole of the Reveira coast from Geneva to Marseilles depends, lives and thrives on tourist traffic. Here, in India, we neglect the tourists, they have to find their own accommodation, they have to look after themselves or get the things they can and they all get on by any means possible without any scientific methods by which either by Government or through any other agency the tourist traffic which is fundamentally necessary is regulated. Sir, my time is up and, therefore, I conclude, with the hope that the Railway Board will consider these suggestions. (Applause.)

Rai Bahadur Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): Sir, at the outset, I should like to congratulate 3 P.M. the Honourable the Railway Member for the care and thought he has bestowed in preparing the Budget. I wish to express my sympathy for the loss which the railways, especially the State Railways of Northern Bihar, have suffered on account of the earthquake.

Sir, the Budget speech shows that although the parcel traffic has been beneficial, the passenger traffic has fallen to a considerable degree. The reason for this is chiefly the bad time-tables. The time-tables are so bad that people generally like to travel by bus rather than by trains. I am told that the bad time-tables are due to the fact—I am speaking of the E. I. R.—that they are framed in Calcutta and they cannot see the requirements of this part of the country. They have introduced sectional trains. Formerly, we have had through passenger trains from Calcutta to Kalka. Now, this section from Ghaziabad to Kalka has been given over to the N. W. R., and, therefore, there are no through direct passenger trains from Calcutta to Kalka. In fact, there are no through passenger trains from Calcutta to Delhi, although there are mail trains and express trains.

Another point that I should like to mention is that there are no return tickets on the G. I. P. or on the B., B. and C. I. I admit, as my Honourable friend, Diwan Bahadur Mudaliar, has said, that some stations have been selected between which return tickets are allowed on the B., B. and C. I., but, on most of the lines, it is not the case, and in the G. I. P. and the B., B. and C. I. there are no return tickets. I wish to discuss the Budget from the point of view of the villager. This country, being an agricultural country, the requirements of the villagers and those living

[Rai Bahadur Kunwar Raghubir Singh.]

in the countryside should be the first consideration of this Department. When I was just now telling the House about the grievances of those people who travel generally by the passenger trains, I was thinking of the villagers. There are so many express trains that those people living in or near small stations cannot benefit by them. Formerly, when the management of the E. I. R. was under Company management, there were so many trains and the comforts of passengers were looked after very well. But, after the management has been taken over by the State, there are no trains. As an example, if I want to go to my place which is a small station, because I live in my village, there is only one passenger train which goes from Delhi to my place. But if I want to go in the evening, I have no train. The other difficulty from which the villagers suffer is the question of lowering of freights. In the Punjab, the railway administration have lowered the freight for wheat and other articles, but the freight has not been lowered in other places, such as Agra, Aligarh and Hathras which are all business centres. Therefore, the village people cannot benefit to any extent by the concession given by the railway in other Provinces.

When speaking on the general discussion the year before last, I stressed the necessity of inculcating good manners on the staff, but there is no difference whatsoever in the behaviour of the staff. It has been said that there is a deficit of 5½ crores in the Budget which is solely due to want of amenities to passengers, especially to the lower class passengers. There is a provision in the Budget papers for the temporary staff to deal with retrenchment proposals. I say, Sir, that when Mr. Pope has enquired into the retrenchment proposals or, to use the exact words of the speech, Job Analysis, there is no necessity for keeping another temporary staff for doing the same work of retrenchment which Mr. Pope has already done. So, Sir, it is my considered opinion that the railway should be run for the benefit of the rural population, the real winners of profit for the railways. The more the railways earn, the less they spend. In this connection, I will give the example of the B., B. and C. I. which is said to be a rich company, but they spend nothing on the amenities of the passengers and, in fact, there are very few amenities, there are no wires even to protect the cattle and human beings from danger.

Reading the speech of the Honourable Sir Guthrie Russell, I find that praise has been bestowed on the Agents of railways, but, from the Questions put by Mr. Maswood Ahmad and other Honourable Members, it appears that the Agents care very little for the orders issued by the Government of India, and I think this praise is not deserved, as we find from the answers given here.

Then, Sir, in the speech increase of traffic is forecasted, but I think this is too optimistic. Unless you change your time-tables and give more facilities to the passengers, the passenger traffic cannot increase. Then, the depreciation fund ought not to have been lightly touched, as has been already pointed out by several speakers. Then, Sir, the estimate of the ordinary operating expenses is too high, by about two lakhs, and the total working expenses increased by 35 lakhs is too much. I find also that the ordinary working expenses have also been increased for the current year by 45 lakhs. The capital expenditure is the highest on the East Indian Railway. It is 137 crores and 42 lakhs which is the highest on all these

State Railways. But the amenities proposed for the betterment of the lower class carriages are not given for the East Indian Railway. If the expenditure on this railway is the highest, there is no reason why amenities should not be provided for lower class carriages. Then, there is another point,—that the Indianisation of superior services has not increased in spite of the fact that an Indian is at the head.

In view of these considerations, I request Government to look more to the good of the general public by giving more trains, and by starting more passenger trains for the benefit of the rural population.

Maulvi Sayyid Murtuza Saheb Bahadur (South Madras: Muhammadan): Sir, when I rise to take part in the general discussion, I do not propose to level any charge against the Railway Member. We are fully convinced of the fact, that, but for general depression and other circumstances beyond the control of Government, he would have been in a position to present to the House a better Budget. But so far as the administration of the State and Company-managed railways is concerned, I fully endorse the views of the previous speakers. The Company-managed railways particularly do not care for the amenities of the passengers, and particularly the third class passengers.

As regards the treatment of the minority communities, I invite the attention of the House and of Government in particular. It is said in the report of the Railway Board, that a special officer was deputed by Government to look into this question about three years ago. Now, three years have rolled on and yet no decision has been arrived at by Government. So far as the Railway Board is concerned, we learn from this report that they have submitted their proposals to Government but I do not see any justification why this question is being put off from time to time. Sir, you know I come from a place which happens to be the headquarters of the South Indian Railway and the City of Madras is also in my constituency. So I am interested in both the M. & S. M. and the South Indian Railways. In the South Indian Railway at least there is one Muslim in the officers' grade. In this connection I give credit to the present Agent of that railway as he has issued a circular to the effect that, out of 12 appointments, at least two should go to Muslims and two to Indian Christians, both of whom are inadequately represented. And recently, having in view the fact that the audit department is being monopolised by only one community, he has been kind enough to invite applications from Muslim graduates for the audit section where there is neither a single Muslim nor a single Indian Christian. But as regards the M. & S. M. Railway, the whole House will be astonished to learn that there is not a single Muslim throughout that railway who holds an officers' grade. This point was brought to the notice of Government even last year. I hope they have done the needful in the matter, but even their recommendation has not been heeded by that railway. I request the Honourable Member in charge to see to this.

Sir, I thank the Honourable Member for the kindness he has shown towards the unfortunate sufferers in Bihar. He has undoubtedly made one great concession in their favour, namely, the half-rate concession, but I would request him and also other Members of Government to make no charges for freight so that the poor or unfortunate sufferers, whose calamities cannot be at all conceived by us, may benefit by getting supplies free of charge, just as the Postal Department has allowed money orders to be sent free.

[Maulvi Sayyid Murtuza Saheb Bahadur.]

Sir, I am very keen on one point and that is that there is no justification whatsoever in the expenditure on strategic lines being charged to this head. The legitimate charge is on the Military Department. This point is being urged on Government from year to year and nothing is being done in this respect. Sir, so far as the Army Department is concerned, they are spending crores and crores, and could not they attend to the upkeep of the strategic railways out of so many crores of rupees? Why should that amount be charged to this Budget? It is only a question of two crores and when a sum of 55 crores is being spent as military expenditure, this thing could also be very easily done. I hope the Honourable Member will see to this and do something in the matter in consultation with the Finance Member and H. E. the Commander-in-Chief. The attention of these Members and that of the other Members of Government is being invited from year to year to this matter, but nothing is being done. I hope at least this time this question will be given proper attention, and the needful will be done in the matter. With these few remarks, I conclude my speech.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, I am obliged to you for allowing me an opportunity to say a few words on the general discussion, as I regret I will not be present to take part in the discussion on cut motions which are to follow the day after and the following days.

So far as the general discussion is concerned, I wish to congratulate the Honourable the Commerce Member, who has, without doubt, taken up a great task in preparing the Budget under such difficult circumstances. The congratulations are not from me alone, but they are sincerely given by the whole House from all quarters: we are very much obliged to him for all the trouble he has taken in the preparation of this Budget. So far as the general principles are concerned, I quite agree with what my friend, Diwan Bahadur Ramaswami Mudaliar, has said as regards the Depreciation Fund: it ought to be kept separate and no more money should be added to it than what is actually required: it should also be shown how the money in that fund is invested. We do not know whether it is invested in Government paper or whether it is lent out to various Departments or whether it is kept somewhere. I think a statement of the Depreciation Fund should accompany giving the particulars I have indicated and should form part of the scheme when the Budget is put forward.

Another point about the General Budget, as my friend, the last speaker, has said, is that there is absolutely no reason, if the railways are to be run on commercial lines, why for those lines which cannot be run commercially on sound lines our Railway Budget should be responsible for their depreciation. If a certain Department wants to have a certain line, or if strategic lines are necessary in the interests of the safety of the country, there is no reason why the other commercial lines should suffer for the loss on these lines; and I fully agree that, so far as the strategic lines are concerned, they should not form part of the Railway Budget, but should go to the Army Department.

The third point is about the Company and the State-managed railways. I am one of those—perhaps the majority of the public may not agree with me—who think that a commercial scheme is managed much better by a private company than by the State. Even in Europe, where there are so many State Railways, experiment has shown that those railways are being

leased out to private companies whose operations are checked: but it is the private company that looks after the management of the railways, because there is one advantage: they examine their budget from week to week, and they see what portion of the line is paying and what portion is not paying, and they at once take steps to restrict expenditure on the latter portion: here we have got in the State Railways many high salaried officers: the Budget is passed by the Assembly—I suppose it cannot be cut down—whether it pays or does not pay, they have to keep up the same establishment, with the result that every year a deficit budget has to be shown. If, on the other hand, those State managed railways which are so badly managed cannot be run on commercial lines, it would be much better to hand them over to certain private companies who would run them on a financial basis. It is a different matter if you want to run it as a charitable show. But, on the one hand, you call it a commercial department, while on the other, you manage it so badly, or rather you cannot manage it so effectively, that there is always a deficit budget. So I am one of those who advocate Company management as against State management for the simple reason that the Company management is always more effective and more economical than State management.

Diwan Bahadur A. Ramaswami Mudaliar: Is there any difference in India between Company management and State management either in economy or in comfort?

Mr. A. Das: Yes: I can point to the Bengal and North-Western Railway as an instance

An Honourable Member: It gives 16 per cent.

Mr. A. Das: It might be worse in certain respects, but they manage without a deficit. You travel at almost the same speed; the second and first class carriages are better as compared with first and second class carriages on the other lines, their fares are the *lowest* of any railway in India—first, second or third class, and they can afford to pay high dividends. Their management might perhaps not be so effective; but they manage a big line extending over several thousand miles effectively. I know there are certain defects: the staff is not properly paid (Laughter), but other things have to be looked after. What is the primary concern of a business? Either make it a public purpose in which case do not look into the business side of it, or make it a purely business concern. I submit that, so far as the business side is concerned, the State managed railways are working under certain difficulties which Company managed railways have not.

Coming now to particular points, I would invite attention of the Treasury Benches to the purchase of Diesel oil engines. That experiment has cost about four or five lakhs: these engines are being purchased in order to compete with the motor bus traffic. It is a very doubtful experiment. At other places, where these engines were purchased, the experiment proved a failure; but the Railway Board now wants to invest three lakhs on these engines again and it has been passed by the Railway Finance Committee. But I submit that the experiment which has been tried in other places should be looked into. (*An Honourable Member:* "What other places?") The North Western Railway, I think; I speak subject to correction, but I think on some railways it was purchased and it failed.

The last point to which I wish to draw attention—this is not really concerning the general discussion, but only refers to a particular city within my constituency—is the platform in the Benares cantonment station. I

[Mr. A. Das.]

am obliged to the Honourable Mr. Rau for kindly providing, when a question was put about it, a shed on the second platform in that station. But either due to paucity of funds or, I do not know what, the shed is as good as no shed at all. During the last few eclipses, there have been hundreds and thousands of passengers, and the shed is about half the size of this House and can hardly accommodate more than 200 or 300 passengers. Benares is a place of great pilgrimage: whether people go there for spiritual or worldly benefit is not the concern of this House; but as a large number of persons and old men and women and children flock there, it is certainly the duty of the railway to provide sufficiently good accommodation to shelter them both from rain and the sun; therefore, I would appeal to the Honourable Member in charge to give suitable facilities to the pilgrims that go to Benares. Their number is increasing every year, and the shed which has been erected on platform No. 2 should be enlarged and that too very soon.

Sir Leslie Hudson (Bombay: European): Mr. President, the very few remarks I have to make I should like to commence by expressing with the other Members of this House our appreciation of the efforts of the railway companies and the Railway Board which have enabled the Honourable the Commerce Member to make the very excellent statement of affairs which he presented to us on Saturday morning.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

We can only hope that he has not expressed his views as to the future with too much optimism. He himself qualified his optimistic outlook with the hope that things would be better next year. What struck me in the course of the debate today has been the almost general statement by Members of the alteration of their views in regard to State *versus* Company managed railways.

An Honourable Member: No, no: only one Member.

Sir Leslie Hudson: I think I am correct in saying, at least four Members have eulogised Company managed railways as against State managed railways. I do not wish to press the point, but we all remember the long and heated discussions when the change took place some years ago.

Sir, the Honourable the Commerce Member mentioned in the course of his speech that, of the few new works which were projected for the coming year, one is still under investigation, and that is the Bombay Sind connection. Ten years ago, when this was first mooted,—I think it was in 1922,—there was a certain amount of enthusiasm for it in the Province from which I come, but I think there is quite a change of opinion there now in many quarters. The arguments then were partly an improved mail service. That has been largely altered now by the aeroplane service between Bombay and Karachi. Then there was the argument of the discomfort to passengers having to tranship, but even that I do not think is quite so marked now, and in any case very shortly a number of passengers will also travel by air, and generally speaking, I think that we are of the opinion in the Bombay Presidency that, unless a very good case for this connection being a remunerative one is made out, Government should not undertake it.

Then, my friend, Mr. A. Das, has just been speaking about the experiment of Diesel oil engines. I have understood, Sir, that in this country in certain parts of the very dry districts of Sind and the Punjab, these Diesel oil engines will overcome the difficulties which are at present experienced in the matter of fuel and also in the matter of water supply. I further understand that certain Diesel oil engines, which have been running, have turned out to be at any rate a moderate success, and the inauguration of the services which are to come in Southern India should certainly give us a very good line by which to decide as to whether or not these Diesel oil engines should be encouraged elsewhere on the Indian railways.

Mr. A. Das: They have proved a failure in Northern India.

Sir Leslie Hudson: They have proved a success.

Mr. A. Das: My information is that they have proved a failure in Northern India.

Sir Leslie Hudson: I believe there are Diesel oil engines running in this country which have proved a success.

Then, my friend, Sir Henry Gidney, referred to the manufacture of locomotives in this country. We are looking forward to the time when India will be able to manufacture most things for herself. There seems to be no very strong reason why skilled mechanics should not be brought out from England to teach our artisans out here how to construct locomotives in this country.

My Honourable friend, the Commerce Member, will remember that there has been some discussion in regard to Railway Receipts being given the status of Negotiable Instruments. It would greatly please a large number of commercial interests in this country if the Honourable Member would be able to assure us that Government are still looking into the possibility of this being done. Sir, I have nothing more to say.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Mr. Deputy President, I am extremely grateful for being able to catch your eye at the sixteenth attempt. The misfortune, Mr. Deputy President, is this, that we are unattached to any Party, and as such your gaze does not penetrate so far. The constituency I represent here in this House is certainly a very important one. It stands to the south of the banks of the Bay of Bengal and to the north of the Mainpur Hills. It is quite a large area, and as such it is my incumbent duty to say something on the general aspects of this Railway Budget.

To start with, I had the idea to follow the precedent of some of the Honourable Members who have preceded me to resort to manuscript oratory, but I find, Sir, that if I take to reading the short notes that I have jotted down, it will take more time than if I followed the usual course of speaking *ex tempore*.

At the outset, it must be said to the credit of the Railway Administration that they have been surely kind enough not to put any deficit figure above the tune of 5½ crores. It is certainly no consolation to the taxpayers of this country that it will be taken off from the Depreciation Fund and that that amount will be spread over a period of ten years. There may be some justification for not realising the Actuals and the expectations they had formed on the returns, but if I may be permitted to mention one or two

[Mr. Muhammad Anwar-ul-Azim.]

matters, in that connection, I think it will be interesting to the House. You will remember, Sir, that Sir George Rainy, delivering his budget speech for 1930-31, mentioned very pertinently for the consideration of the railway authorities that, so far as railway earnings on the traffic side were concerned, they were being eaten away by oozings and filtrations. My submission to the Railway Board is that they should first of all stop all these oozings and filtrations, because once they are stopped, I can assure you, they will be able to find lots of reserves to be set apart, and the deficits will not have to come out of the Depreciation Fund, and this action has been very rightly adversely commented upon from all parts of the House.

The Honourable the Commerce Member has mentioned what are the ills responsible for bringing down the income of the railways, and, in that connection, I should very much like to submit one thing, and it is this, that no amount of lowering your third class fare will be of any use,—you can take it from me—no amount of giving facilities to the tourists from America and Europe will bring in larger revenues, and no amount of raising the platforms at wayside places, where you do not find sometimes even two passengers, is likely to bring in any larger returns. My advice to the Railway Administration is—look round and try to stop the oozings and filterings, and then I can assure you that you shall not have to come to this House with the old tale of a deficit budget.

Mr. Deputy President, certainly one needs some time in order to deal with these matters fully, but still I think I may be permitted to mention one or two facts for the consideration of the Treasury Benches. My esteemed friend, the Commerce Member, has invited the attention of this Assembly to paragraph 11 of his speech wherein he has asked for suggestions with regard to the formation of the coming Statutory Railway Board. You will realise that that practically connotes the separation of the Railway Budget from the purview of this Legislative Assembly. Nobody knows what will be the kind of constitution that will come under the caption of a Federal Assembly, but if it be the idea of the Government—I do not know what is their idea—that it will be a separate body absolutely independent of the Legislature, I am afraid I could not be a party to such an arrangement. Further, if the Government are anxious to take away the Railway Administration or the Railway Board from the so-called political influence, my suggestion to them would be to try the experiments which have been tried elsewhere. I think, though not as a permanent measure, they might try to have a sort of body just like the Port Trusts that we have here in this country, but on one and one condition alone, that that body will be a sort of subordinate agency under a Ministry of Transport and that Ministry will be responsible to the Federal Legislature. If that is done, I think perhaps a fairly large section of this House might not have any grouse with the Government on that score.

Coming, again, to paragraph 6 of his Budget speech, I see that the Commerce Member thinks that if certain of the suggestions that he has mentioned in his speech are carried out, perhaps the railway income might go up. In that connection I might say that that would not be sufficient, because there are lots of areas in this country which are still untapped. If a proper policy is followed, and say, in my part of the country, if the Assam Bengal Railway thinks it wise enough to extend our railway lines up to the borders of Burma, that is likely to bring in a large amount of

revenue. If the E. B. Railway, instead of shifting the Goalundo Ghat from place to place and year after year, only pitched upon a permanent site, it would also bring in a certain amount of revenue. These are one or two matters which the Railway Board ought to see whether they are not worthy of consideration.

Mr. Deputy President, there is a certain passage in the Budget speech of the Honourable the Commerce Member with regard to what Mr. Pope has done. In that connection, you may remember that this enquiry is not the first of its kind. There have been a number of enquiries of that nature, one by the Acworth Committee, later on there is also that enquiry by the Dickinson Committee, and, if their recommendations had been carried out, I am sure that there would have been no necessity for a gloomy tale.

Lastly, as I think I have come to the end of my time, I should like to say one or two words with regard to the much maligned subject of minority representation in the services of the railways. Mr. Deputy President, I hope that Sir Cowasji Jehangir and other Nationalists and Independents, who feel sore at the mere mention of minorities in this House, will excuse me if I, representing as I do, a separate constituency, ask for a just and equitable treatment of my people. It is not my intention to suggest to the Railway Board that they should do everything at once, but in that connection you will remember that, as a result of our importunities, if I may say so, the administration of Sir George Rainy was very kind to depute a special officer to make enquiries with regard to our position in the railway services, especially in the State Railway services. I am told that that report is awaiting the decision of the Government of India on the railway side. Our complaint is still this that there has not been any enquiry so far as the Company managed railways are concerned, and unless and until the Railway Board bring into line the Company managed lines also, our grievance will still continue. Maulvi Saiyyid Murtuza Saheb Bahadur has asked pertinently, how is it that it has taken such an inordinately long time for the Government to hit on a formula regarding the representation of minorities in the services which would be just and equitable to them. I do not know whether the Government have got something else up in their sleeves; probably they are contemplating another enquiry. But to put my submission succinctly and broadly in a word, the minorities have given a very long rope to the Government of India on the railway side and it is high time that the railway administration came to a quick decision with regard to this important matter.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member's time is up.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): I congratulate the Honourable the Railway Member on the retrenchment campaign that he has adopted in the field of printing and stationery. Last year he introduced the retrenchment of these statements of different railways from foolscap to octavo size, and this year following the last year's precedent, I believe, he has curtailed the cost of printing his Budget speech by making his speech as small as he could. I wish that it would have been better had he not adopted this retrenchment in the printing of his speech. Sir, in the speech of the Honourable Member he has not given us anything except a few figures. If he thinks that the Budget speech should consist of simply a statement of expected income and disbursements,

[Mr. Bhuput Singh.]

then I think he has failed in his retrenchment as it could have been given to us in the form of a statement of figures printed in a page or two.

Now, Sir, I have got another complaint to make against him. In his last year's speech, in winding up the general discussion, he referred to several points and promised to look into them; and, Sir, I thought he would come forward with some sort of statement as to the results of such inquiries and investigations. In particular, I would like to quote the two statements made by him, one in regard to the calling of public tenders for coal contracts and the other regarding investigation into the causes of the fall in revenue. He said:

"We have issued a circular to the effect that in future in every such case, where possible, tenders should be called for . . ."

And the other statement is:

"My friend, Mr. Yamin Khan, made certain suggestions. He suggested that we should examine and ascertain the causes which have led to this fall in our revenues. Well, Sir, that, I think, is a very reasonable suggestion to make and something on those lines has been in my own mind. I can assure him that I shall follow it up and see how far it will lead us."

But nowhere has he told us about these inquiries. Certainly this House would like to be told whether such calling of public tenders has given the railways any saving or not, as otherwise it is not possible for the House to judge whether the criticism levelled by Mr. Ghuznavi was right or whether the attitude taken in 1932 by the predecessor of the Honourable Member in regard to this question was right. I would say that if the Honourable Member would have made a serious effort to find out the cause of the fall in revenue, I am positive he would have found that the two main causes in the fall in revenue from passenger fares are firstly the Railway Board's apathy towards the comforts and conveniences of third class passengers and, secondly, due to the increase in railway fares of all classes. Taking the first point, that is the comforts and conveniences of the third class passengers, I say that Government have not done anything in the matter. Sir, opening of a refreshment stall here and appointing a few watermen there are not what is wanted. Whenever we bring this charge, we are told that so many raised platforms have been made and so many watermen have been appointed for supply of drinking water for passengers. Sir, it is not long ago, a Member of this House had the fortune or the misfortune of meeting the Director of Traffic in connection with the reservations of third class carriages on the North Western Railway. In the course of the conversation, the officer in question stated that it was not possible to reserve compartments as the present programme of third class construction has been changed. The railways are now constructing only bigger third class compartments of 40 to 60 seats, or even more. The idea underlying must be twofold. One is that if bigger compartments are made, third class passengers will not be able to ask for reservation. The second idea is that the space required for the provision of latrine in the case of smaller third class compartments can be utilized for seating more passengers. I ask you, Sir, to imagine the picture of 40 or 60 passengers in a compartment with children and women huddled together, having one small latrine to use during their journey over long distances. I think it is worse than hell. Is this the way the Railway Board is doing their duty by the country? The officers do not care for the comforts or discomforts. Because by the

time they become Directors of Traffic or hold some equal rank, they become pretty senior and have earned their pension, and they know that in a few years' time they would be going back to England. You can never expect sympathy from such officers for our countrymen. I would seriously ask my friend, the Railway Member, to take into serious consideration whether they should not revert to the old system of small third class compartments or 8 or 12 seats or 16 seats at the most with one latrine each for such compartments. Especially the rakes which are expected to run over more than 100 miles must not be allowed to have such bigger third class compartments.

Coming to the question of fans, India being a tropical country, the condition of third class passengers can better be imagined than described as to their miseries due to the absence of fans in the summer. Sir, a small second class compartment of one-fourth the size of a big third class compartment is provided with two fans for a very few passengers, but the railways cannot find money to provide even two fans in each of the big third class compartments where 60 passengers or more are crowded. In this connection, I would also invite the attention of the House to the fact that in the other railways the issue of week end tickets to all classes is permitted, but in the B.B. and C.I. metre gauge, week end tickets are only issued to first and second class passengers, and not to the poor third class passengers, for reasons best known to the authorities.

In coming to the fall in revenue due to the rail-road competition, I would draw the attention of the Members to the fact that it is the third class passengers who have boycotted the railways wherever they could owing to the maltreatment of the railway officials as well. I can state on facts reported to me that in the Saharanpur, Hardwar and Dehra Dun section and the Kalka-Simla section, most of the passengers avail themselves of the motor service. In the Hardwar station, hundreds of third class passengers are locked out of the platform and they are not allowed to come to the platform till the trains actually arrive at the platform. After the train arrives, a small wicket gate is opened and passengers are allowed to fight their passage in as the train stops only for a few minutes. These passengers are treated like cattle. After all, they are men. They have got their sense of revenge as well. As soon as the bus services have come into existence, they have availed of them. In this House, the Honourable the Railway Member was asked last year to move about *incognito* to see how the railway officials treated illiterate third class passengers, not to speak of third class passengers, but how they treat even higher class Indian passengers, with due deference to the Station Superintendents of the Delhi Station, whom we have always found to be of the type that is desired.

In coming to the question of retrenchment, I am very sorry to tell my friend that in the railways best men are not recruited for the posts vacant, but, on the contrary, posts are created for the men. Here, Sir, I hold in my hand the Standing Finance Committee report sent to us with the Budget papers in which I find the sanction of as many as 16 temporary posts of officers ranging from a pay of Rs. 300 to Rs. 1,500 being made permanent. At first, temporary posts are created, and, after keeping them as such for a few years, these posts are shown to be a necessity and the hands of the Standing Finance Committee are forced to make them permanent. I ask, Sir, is the present time proper for making new permanent posts when the railways are still passing through bad times and when they are being run by loans from Depreciation Funds

[Mr. Bhuput Sing.]

year after year? These new additions to present posts reminds me of a story. Sir, once a Nawab wanted a favourite of his to be employed, and he asked his Wazir to find out some post for him. The Wazir found that there were no posts vacant and no officer was required for the State, but as the Nawab's desire was to be met, the Wazir created a post for the man and that was for catching rats in the record room of the State. In India, we always find such posts being created for men and not find men for the posts vacant.

Before closing, I should like to make a remark, in regard to what was said by the Honourable Member on my left, I mean Mr. Dudhoria. He suggested that the Jamalpur workshops should be closed and transferred to some other place. I was very much surprised to hear that from him. Jamalpur and other parts have been seriously affected by the recent earthquake and it is important that more employment should be given to those helpless labourers. It is the duty of the railways and of every man to support those labourers from starvation. I would suggest to the Honourable Member that he should not pay any heed to this suggestion.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Before I begin my speech on the Railway Budget, I must also join in the chorus of congratulations that have been offered to the Honourable Member for Railways. I think every one of us recognises the value of the work that the Honourable Member has done during the last few months, not only as Member for the Railways, but as Member for Commerce in settling the Indo-Japanese commercial relations. I quite agree with my Honourable friend, Sir Henry Gidney, in his view that taking into consideration the industrial development in this country and that of the trade and industries throughout the whole world, along with the hard competition with which our industries are confronted, it would be quite appropriate that the Honourable Member's portfolio should be divided into two. One cannot think that it is now possible for one man to discharge his duties in respect of both these Departments very faithfully. Then, again, supporting Sir Henry Gidney, I have to point out one more thing and that is that the railway officers—the Agents and their subordinates—act very autocratically. They are in a way autocrats in their own branch, whom it is very difficult to approach even for the railway employees, and to have their grievances redressed.

I have to refer to one particular case which has been going on for the last three years about the Travelling Ticket Examiners on the North Western Railway, and myself and Sir Henry Gidney and some other Members of this House had to approach the late Financial Commissioner, Mr. Parsons, and also our Honourable friend, Mr. P. R. Rau, about their grievances. Part of their grievances has no doubt been considered. They were all on a sudden in a way transferred from their cadre to another cadre and their allowances were practically reduced to nothing. Well, gradually, after repeated representations, we find that they have been made an offer of their accepting a substitute of their old pay without an assurance being given that they would get the old allowance which they could get as Travelling Ticket Examiners in their old service. We should not lose sight of the fact that the position of the Travelling Ticket Examiners is a very difficult one. They are unpopular with the public, and they have to do very hard duties and have to run some kind of risks

by travelling in the running train. It was said that it was for the purpose of economy that the whole cadre was in a way practically abolished and the men were transferred to another cadre. I would repeat here their request that the question of their allowance should be considered again and I would request the Financial Commissioner of Railways to give sympathetic consideration to this, their last grievance.

Lieut.-Colonel Sir Henry Gidney: Their old allowances were part of their pay.

Bhai Parma Nand: As my Honourable friend, Sir Henry Gidney, has suggested, their old allowances were part of their pay, and it is very very unreasonable and strange that they are being deprived of the allowances which were being paid to them as part of their pay. Some of them had learnt to live in a very comfortable style on account of their salaries, naturally their condition now is very hard.

There is another case of autocracy in the Department to which I want to make a reference. Only a few days ago, some eight candidates, as apprentice Permanent Way Inspectors were discharged. They had been given regular pay by the Department. They passed the first examination, they passed also the second examination, but, in the third year, eight of them were not able to come out successful, and so they were discharged. They are not now fit for anything. The Railway Department did incur quite a lot of expenditure on paying every one of them, say, on an average Rs. 100 per month during their apprenticeship, and now they are discharged, and fresh men are being taken in their places. The Department will thus have to incur a similar expenditure on these new men. They submitted a petition. It was in the discretion of the Chief Engineer, North Western Railway, to give them another chance. They have been to him, but he has refused point blank to consider their case and they are now wandering about not knowing what to do. They have naturally submitted a representation to the Financial Commissioner and I would just appeal to him to consider their case on the grounds of justice and equity and also to save the Railway Department another big expenditure. What they want only is that they should be given another chance and they would have the benefit of training at their own cost. They do not want any guarantee for getting job on this line. They are prepared to try their luck on some other line. They would be quite content to try their chance on other railways in this country.

Sir, after pointing out the above typical cases, I just want to say that I had no wish, even for the sake of these grievances, to intervene in this debate. I have risen to clear up one thing. I heard my Honourable friend, Sayyid Murtuza Saheb, speaking about the rights of the minorities. I was prepared not to take notice of what Sayyid Murtuza Saheb said, thinking that he might not have been present throughout the Session, and perhaps he was not aware of the full facts of the case. But when I found my Honourable friend, Mr. Anwar-ul-Azim, getting up and repeating the same claim again which had been repeated in this House for years past, I thought it was my duty to explain another point of view. Sir, my position, as well as that of some of those Honourable Members who think with me, is that it is quite wrong in this House to raise this question of the services on communal grounds. These services should all be filled on the sole consideration of merit and efficiency; and those people who want to have their claims recognized in the various services, be they

[Bhai Parma Nand.]

public services, or railway or postal services, should try to qualify themselves for that service and try to stand in fair competition with other communities. But as this claim was very often pressed upon the Government and our Honourable Muslim friends were stressing this point off and on, the Government had to yield, and a special officer was appointed by the Railway Department to make an investigation into the claims of the minorities. Sir, that officer presented his report. That report was discussed by us and I had also to say quite a good deal about Mr. Hassan's report on the railway services. As I could gather then, the point was made clear that the Mussalman element in the railway services, taking all the subordinates and higher services together, averaged about one-fourth of the services throughout India, I mean, that was so taking an average of the whole of the services throughout the whole of India. My argument then was that if the services are to be given on the basis of population, the Muslims had already got their proper share and they had no right to demand any increase; but, as in the Constitution, that was being framed for us, the principle of weightage was recognised, we thought, they were claiming a similar weightage, in railway services. I think this fact was recognised by the Department and we were told by the Honourable Member for the Railways that decisions on that report were being formulated, and would be announced in this House. I do not know exactly the terms of the decision, but, talking as a Hindu, we believed that they were not fair to us. All the same, we thought that the preference, given by that decision to the recruitment of the minority communities in various services, should have quite satisfied our Muslim friends in this House. It is quite a surprise for me to see that the same old question, the same old cry, is being repeated in this House. The decision has already been arrived at and announced.

The question is, who are the minorities? It is not only the Muslims who form the minority, but there are also the Anglo-Indians and the Christians. Now, taking all these minority communities together, there was a minority pact made in London by the members of these communities. It is for them now to decide amongst themselves as to what ought to be the share of these minority communities in the railway services. So far as I can judge from the figures which were given by Mr. Hassan, the Hindus have not even got their due share in all the services. Which of the minorities had an unusual advantage, I do not care. That will be seen from the figures that are published in the book. But taking all the minorities together as one body, as they have framed one separate pact for themselves, I think Honourable Members, belonging to the Muslim community, should go to their friends, other minorities, and get their share from them who have probably got much more in the railway services. They are sadly mistaken if they think that the Hindus have got more than their share. I can only tell them that the Hindus have not got their proper share on the population ratio basis. That is the point that I want to make clear.

In the first place, I and other persons of my way of thinking protest against this very principle of giving services on communal basis. Unfortunately it has been accepted by the Government in the case of railways. We all deplore that its introduction is being attempted in higher public services as well. It is like introducing poison not only in the constitution, but in the whole body politic of India by dividing the various communities throughout the services in various departments. I may, again,

assure my Muslim friends that the Hindus have not got any more share in the railway services than they deserve. It may be that other people, who have done greater service in the Railway Department in early days, are given more posts, because they have been serving the Department for a long time. In fact, I admit that it is they who have brought this Department to this level and, therefore, they deserve some concession to be made to them. I warn my friends of the Muslim community that, if they again press forward their claim for more appointments, we shall also have the same right to press our claims on the Honourable the Commerce Member, namely, that by giving any kind of undue preference to others in these services, the claims of the Hindus, who have devotedly served the railways all this time, should not be ignored.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I shall be very brief at this fag-end of the day when I find non-official colleagues of mine are still rising. Sir, I quite agree with the Honourable and gallant Member, Colonel Sir Henry Gidney, that the time has come when all the machinery required for the railways, locomotives and everything, should be made in this country. I am very pleased that such a suggestion should have come from Colonel Sir Henry Gidney, for he has always maintained that the statutory Indians must look upon India as their motherland. I am glad that that suggestion has the approval of the Leader of the European Group, Sir Leslie Hudson. I hope that we will soon have Indian railways being run with Indian machinery made in India, so that Mr. Joshi will be satisfied that Indian labour will have expanded opportunities.

Lieut.-Colonel Sir Henry Gidney: Better third class carriages.

Mr. C. S. Ranga Iyer: As Colonel Sir Henry Gidney says, better third class carriages, because the claims of third class passengers cannot be ignored. Mr. Joshi has already referred to them, and I shall take the opportunity of speaking on them on a cut motion. I would only say this that I do not see any reason why the Government should not introduce third class monthly return tickets for long journeys and thus giving them the same facility that they have in certain places weekly return tickets for first and second class passengers, for, as Mr. Joshi has truly said, the third class passengers are the mainstay of railways. I am glad to notice in the speech of the Honourable the Commerce Member that he proposes to honour the Resolution of my friend, Mr. Gopika Romon Roy, by building low platforms. While I wish Assam every success in that matter, there is a railway called the Rohilkund and Kumaon Railway which is as backward as the Assam Railway and notorious for low platforms and I hope that the Honourable the Commerce Member will also take that railway into his consideration. There is also another railway, Polachi Palghat Railway, and that too is known for low platforms.

I should certainly make a reference to the speech of my Honourable friend from Calcutta, Mr. Anwar-ul-Azim.

Mr. Amar Nath Dutt: He comes from Chittagong.

Mr. C. S. Ranga Iyer: He comes from the neighbourhood of Calcutta. Chittagong is certainly nearer than Delhi is to Calcutta.

Mr. Amar Nath Dutt: I do not think so.

Mr. C. S. Ranga Iyer: However, my time is short. As the Honourable Member for Chittagong speaks very clearly, he brings matters to a head as he certainly brought in regard to the communal question. But I admire him as he is working for his community and I have the same admiration for Bhai Parmanand, the President of the Hindu Mahasabha, working for his community. Mr. Anwar-ul-Azim strongly protested against the formation of the new railway authority to which I have agreed. My friend, Mr. Joshi, has also agreed and there is no more radical Member in this House than Mr. Joshi. If he (Mr. Anwar-ul-Azim) reads the report, he will understand our opinions. I shall tell you straightaway why we want this new railway authority, for I shall speak fully on this subject when the cut motion of Dr. Ziauddin, himself an honoured Member, or of Sardar Sant Singh, or of Mr. K. C. Neogy comes up. This much I may say straightaway. We had Bhai Parmanand's eloquent speech and we also had Mr. Anwar-ul-Azim's sincere and eloquent speech. Bhai Parmanand was equally sincere. We have had so many sincere speeches on the place of communities. There is our gallant friend who came before our Railway Committee in London and valiantly fought the case for his community. Well, the time has come to transfer all these communal discussions from the floor of the House to an authority created by a Minister responsible to this House. (Hear, hear.) That is our recommendation so far as the Railway Authority is concerned, and Whitehall has not agreed with our recommendations. I may say here in this place that this is not only the recommendation of the representatives of one community, but it is the recommendation of the representatives of the other community which includes my Honourable friend, Dr. Ziauddin Ahmad.

[At this stage, Mr. President (The Honourable Sir Shammukham Chetty) resumed the Chair.]

Sir, we came first to a Hindu-Muslim Pact and turned the tables on Whitehall. If my Honourable friend reads the Statutory Railway Board Committee Report, he will find that we have not constituted what, in his abysmal ignorance, he was prepared to call a "Port Trust". No, Sir, not even a Railway Trust! But we have certainly agreed to the creation of a new railway authority when these stinking communal discussions will no longer be heard. We have our differences with Whitehall in that matter, and because, we Hindus and Muslims united in the Committee, and we, Hindus and Muslims, did not agree with the representatives of His Majesty's Government and because we took into consideration the feelings of this House, therefore what happened? Sir Samuel Hoare has been obliged to write a memorandum deploring certain of our suggestions and I hope my Honourable friend, Mr. Anwar-ul-Azim, will read that memorandum before he appears on the floor of the House for a full-dress debate.

Mr. Muhammad Anwar-ul-Azim: I have read it.

Mr. C. S. Ranga Iyer: My Honourable friend says he has read it, and I am glad he has done so, but he has not benefited by the wisdom of our report.

Lieut.-Colonel Sir Henry Gidney: It is a confidential report.

Mr. C. S. Ranga Iyer: The Honourable Member will excuse me. It is a public document which can be purchased for six pence at His Majesty's Stationery Office. In England it appeared in all the newspapers.

Lieut.-Colonel Sir Henry Gidney: It did not appear in India.

Mr. C. S. Ranga Iyer: It did appear in India also, at least a very good summary. I am very careful when I discuss facts on the floor of the House.

Lieut.-Colonel Sir Henry Gidney: It was a confidential document. How did it appear in the Indian Press?

Raja Bahadur G. Krishnamachariar: I hold a copy in my hand.

Mr. Gaya Prasad Singh: I also have it.

Mr. C. S. Ranga Iyer: My Honourable friends, the Raja Bahadur and Mr. Gaya Prasad Singh, both not Members of the Committee, have got the memorandum and this was also given by the Government to the Press. When the Government gave it, it could not be a confidential memorandum. All that I need say is this. Two or three years ago, on the floor of the House, I moved a Resolution for the formation of the Statutory Railway Board. I was condemned by a certain section of the newspapers and representatives of the Associated Press masquerading as special correspondents spreading lies in the newspapers. I was condemned by certain Honourable Members on the floor of the House, they disapproved, not condemned, they certainly had the right of disapproval when such a drastic change was made. We took their disapproval seriously into consideration and every representation of this House was also considered and we made the recommendation that we did. There is a difference between us and Whitehall in the matter and I will say "do not draw a red-herring of a communal kind across the path, but transfer this curse of communalism from the floor of the House to the new authority".

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I never thought that this Budget will drag us in communal question. Undoubtedly we are here to tell to the Government whatever our grievances are. But today, as we are examining the budgetary position of the Commerce Department of the Government of India, I shall appeal to my Honourable friends in the House that, just as they had sunk their difference in London, they should do the same here in India. Sir, we have for a long time worked on a Committee which was styled the Committee for the purchase of B. N. W. R. and R. K. R. and others, and for a long time the discussions went on, and ultimately the Committee came to a decision that as soon as the funds and favourable times permitted, the Government must purchase those railways. This is not the time that I should develop any argument for the purchase of railways from Companies and for Company railways to become State railways. That matter has been long settled and I think it is now the policy of the Government of India and there is no need to develop the argument in favour of State railways. Knowing that these Company-managed railways are paying very high dividends to their shareholders, knowing also that they extend to very long distances, I am at variance with the views of my Honourable friend, Mr. Das, who said on the floor of the House that the Company-managed railways look after the comforts of the passengers better, and that they are better managed than the State railways. I also have some experience of the B. and N. W. R. and the R. K. R. management,

[Mr. Muhammad Azhar Ali.]

because I come from Lucknow which is practically the headquarters of both the railways, and as I do not want to say anything against them, I wish only to point out that the State-managed railways are in no way inferior to the Company-managed railways. As regards the State-managed railways, we have at least the satisfaction of approaching here the Honourable Member for Railways and the Railway Board, whereas, in the case of Company-managed railways, our complaints, our representations, our views and our solicitations are absolutely unheard, and nobody cares for them. Every one knows what is the state of their affairs and what is the condition of their management, not to say of the third class passengers alone, but even first and second class passengers. My sole contention today before the House is that a Committee having decided long ago that these two railways should be purchased, yet we do not find any mention in the Budget for the purchase of these railways which will undoubtedly be paying in the long run.

Mr. Gaya Prasad Singh: Where is the money?

Mr. Muhammad Azhar Ali: My Honourable friend, Mr. Gaya Prasad Singh, asks, where is the money. If we see to the speech of the Honourable Member for Railways which he made on the floor of the House the other day, if we turn to page 6, it says:

"If we find that these projects are likely to be remunerative under present conditions of cheap money and low prices of material and desire to start construction during the next working season, we shall take steps to place our proposals before the Standing Finance Committee for Railways and ask the Assembly for the requisite additional grant."

This was said in connection with another matter, though. But the same argument would apply to the purchase of these two big railways, and I am sure nobody here will deny that, just as the other State railways have been paying, these two railways also will be paying. Why should they not be paying to the State especially when the Companies are paying huge dividends as much as 18 per cent. to the shareholders. I do not see, therefore, any reason why they should not be paying concerns when taken over by the State? In this sentence, which I have read before the House, there are only two points, that the business should be remunerative, and the other point is that you should have cheap money and low prices. With these three items satisfied, you can purchase the railways and the materials for the railways very cheap. You can also get money very cheap now, even at the rate of one or two per cent. I do not see any reason why Government should not take the necessary steps to purchase these two concerns now at once. My principal argument in favour of purchasing these railways is the inconvenience and inefficient management, and as I know that the State railways are better managed, and hence there is no reason why we should not purchase these two railways.

Then, Sir, I have read in the speech of the Railway Member that there has been reduction in the number of passengers, and several speakers today have also referred to it. Why should it not be so when we see that no attention is paid to the convenience of third class passengers? The third class passengers are really the people who pay, and not the upper class people. The railway staff is always allowed to travel on free passes in first and second class compartments. How can you make money when passes are carelessly issued and without any idea as to how many members of the families of these railway servants can be taken to travel? I have

invariably found some families at least travelling free in the second or first class every time that I am on the train. If you reduce the rates and freights, the principle of diminishing returns will apply, and I am sure more passengers will travel on the railways and more goods sent. There is a vicious circle. You now reduce the number of passenger trains on the State railways. Mail and Express trains are for the convenience of the upper class passengers, and the passenger trains which are mostly for the convenience of the poorer classes have been stopped by you. If you reduce the number of trains, you certainly reduce the number of passengers and then you come here and say that, as the passengers are less in number, you have to reduce the number of trains. This is a vicious circle round which every time we find the arguments of Government Members revolving.

As regards return tickets and reduced fares, I remember, Sir, several Members last year and the year before last signed an application to the Railway Department to issue return tickets or to reduce fares for the Ajmere Fair on the Ajmere Urs. But no heed was paid to it, and the reply was given that they could not do it. It is on the occasion of these festivals and *melas* that return tickets or reduced fares should be introduced just as they are allowed during the Christmas holidays. It is an advertisement. You want to advertise in foreign countries, but you do not really advertise, with that sincerity which is expected of you, in your own country.

Sir, I remember to have put a question in this House sometime ago to the effect that there was a station in my constituency which is known as Rahmatnagar station. The people of the neighbouring places and the place where the station is situated put in a memorial to the effect that the station should be named Amethi-Bandigi Mian. But the Railway Department did not care for the wishes of the people and they threw away the application. In my question I suggested that owing to the name of the station not being changed, the income of that station was going down. The reason is that the people have boycotted the station and have taken to the buses and motor lorries and motor cars and even to *ekkas* although it involves trouble, rather than go to the station. Not only passengers have boycotted it, but even, goods are not sent from that station. When I put the question, the reply was given that the local authorities should be approached, but how can that be done? This is a Central subject and how can this thing be brought up before the Local Government and the Local Council? This is how the people are disappointed and the railways become unpopular, and when people submit prayers and memorials, no heed is paid to them.

Then, Sir, in my part of the country pipes have been laid in the inter class lavatories. They have been so placed that they drizzle at every place in the whole compartment, and when the people approached the railway authorities, they were told that the pipes were so made. The result is that bodies and clothes of passengers get spoiled and thus they prefer to travel in motor cars or motor lorries.

Sir, there is one more point that I have to lay before this House, and that is about the strategic railways. Members of the House, who have preceded me, have referred to it, and I join in that chorus in asking Government that if this matter is to be discussed and if this money is to be had, the Government can very easily have it in their Army Budget.

[Mr. Muhammad Azhar Ali.]
or in the General Budget rather than in the Railway Budget. If these two crores are taken away, then the deficit will not be there as high as it appears to be.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, may I begin by expressing my appreciation of what has fallen from Honourable Members in respect of myself and for the manner in which they have received this Budget? I think I merit and can claim the sympathy of this House because my charge of the Railway Department has happened to synchronise with a period of unparalleled world depression which has made it essential for us to adopt a policy of caution, of retrenchment and economy, which has postponed many schemes of importance and which has compelled us to play for safety and all that that implies. It has also happened to synchronise with a period of exceptional stress and activity in the sister department, the Commerce Department, which is linked with it in a single portfolio and which has rendered impossible the bestowal by me personally of an adequate amount of attention on the Railway Department's multitudinous and complicated problems. I hope that these considerations will be borne in mind and that they will temper the hypercritical judgment which is so often visible in this House when the Railway Department comes before its bar to present the annual statement of its stewardship. I have often attempted to analyse and tried to account for the attitude, almost of hostility, towards the Railway Department which has so often been exhibited in this House and which is prepared to take for granted the guilt of the Railway Department and throw upon it the onus of proving its innocence. It seems to me that no organisation, public or private, is brought into such close, such intimate and such continuing contact with the public as the Railway Department. It is so to speak continually and ceaselessly on its trial, literally every minute of the day and every day of the year. Under these circumstances, it is not surprising that occasions should arise for legitimate criticism. The only wonder is that those occasions do not arise more often. If I may use a Baconian sentence "Men mark where they hit and not where they miss". A single instance of discourtesy or rudeness on the part of an employee, a single instance of negligence or inconvenience that may be experienced will very often warp the whole outlook of the person so affected towards the Railway Department. No one, for instance, cares to remember that there are something like 8,00,000 employees in the railways and that there must be some black sheep among them. I would ask this House most respectfully and, through the House, I would ask the public sometimes to glance at the other side of the picture, at the organisation, the forethought, the unremitting care, the technical skill, the devotion to duty on the part of the lowest to the highest official, which are essential if the railways of India are to serve effectively and efficiently the administrative and economic needs of the country.

Now, I do not ask that criticism should be withheld. Criticism is absolutely essential, and, so far as we are concerned, we welcome that criticism; but I think I have a right to ask that the acerbity which so often characterises speeches in the House may be tempered by the thought that if the railways have many defects to admit, they can also point to a splendid record of work often under the most difficult and adverse circumstances, a record of work of which any railway in the world may well be proud. I would only ask Honourable Members that they should keep a proper perspective in their judgment on matters which come up before them.

The question of rates and fares is one of perennial interest, and, whenever it is raised, it is always certain of exciting criticism and comment in this House. There are two schools of thought; one school contends that the infallible remedy for falling revenues is a reduction in rates and fares. The other school contends that, in order to meet such a situation, the proper course is a judicious and reasonable rise in rates and fares. We eventually decided to make a practical experiment and we hope that, as the result of this experiment, data will be available, they may not be conclusive data, but they will still be very valuable to enable us to decide what our future policy should be in this matter. I have already referred to the matter in my Budget speech: we have revised rates on the North Western Railway since the beginning of December for a period of six months. My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, asked why we did not extend that experiment to certain other railways in Southern India. My reply to that is this: we are merely making an experiment and its extension must depend upon the results that we obtain.

Then suggestions have been made that the railways should reduce their rates in order to give assistance to agriculture and industries. Now, the position of the Railway Department has always been this: if we are expected to operate as a commercial concern, then obviously we must charge rates which are fully economic, that if Governments decide that assistance should be given to agriculture and industries, that assistance should not be indirect, concealed and vicarious as it would be if railway rates were reduced for the carriage of their products, but that it should be given directly and openly, so that the principle of giving assistance and the measure of assistance to be given may from time to time be capable of being examined and controlled by the Governments and the Legislatures concerned. From that position the Railway Department has never resiled. Yet, notwithstanding that, they have, during this period of stress and strain, come to the assistance of agriculture in the peculiar circumstances of the day. Many railways have, as Honourable Members are aware, reduced their freights for the carriage of rice and wheat. I can also say that in certain cases railways do, as a matter of fact, quote special rates for the products of certain industries, but that, of course, is for the purpose of increasing and stimulating traffic.

Certain large questions concerning railway finance and organisation have been referred to from time to time, and they certainly require most careful examination. They are such questions as the revision of the convention of 1924, the desirability or otherwise of a contribution from railway revenues in aid of the general revenues, the amount to be paid towards depreciation and amortisation, and the allocation of expenditure between revenue and capital. I had hoped, Sir, that it would have been possible for us to embark, during the current year, upon an examination of the question of the Depreciation Fund and the annual payments to it, but, after a very careful preliminary examination, we came to the conclusion that all these large outstanding financial questions had better be made the subject of a simultaneous comprehensive examination. That a definite policy in regard to these and connected matters should be arrived at, if the Statutory Railway Authority is to be in a position to function satisfactorily, goes without saying. The House may rest assured that the matter has not escaped our attention, in fact it is under our very active consideration.

Then, Sir, I think it was my friend, Dr. Ziauddin Ahmad, who suggested,—and the suggestions have been put forward on more occasions than one in the interests of economy,—that a policy of amalgamation should be

[Sir Joseph Bhore.]

followed in respect of railway organizations and administrations. We realise the necessity for searching every avenue in order to secure economy, and we realise that one of the few remaining directions in which economy may still be possible is amalgamation where it can be given effect to without loss of efficiency. Honourable Members who have read the Report of Mr. Pope will remember that this is one of the matters to which he has referred. I can assure Honourable Members that it is constantly before us. I would, however, point out that the opportunities for amalgamation will be greater when more of the Companies' administrations come under Government. It will, I think, readily be realised that to amalgamate two systems into a single administration may be beset with difficulties, whereas it may be easier to amalgamate three systems and turn them into two administrations. Now, that of course, as I have said, will become easier when more of the Companies' administrations come under Government.

Sir, it is somewhat difficult, in the course of a reply like this, to touch on all matters which have been raised during the debate, and if, therefore, I fail to make my survey complete, I can only ask Honourable Members to forgive me and to attribute my omission to the proper cause.

I would like to begin with my friend, Dr. Ziauddin Ahmad. I think that two at least of the figures quoted by him were correct. As for the rest, they were like the curate's egg right in parts. If my friend has any difficulty in following the figures to which he referred, I would suggest that he should spend half an hour with my Honourable friend, Mr. Rau, and I hope that his difficulties may be resolved.

An Honourable Member: He is a wrangler.

Dr. Ziauddin Ahmad: May I explain, Sir. I thought the explanation which Mr. Rau would give me would be put down in the footnote.

The Honourable Sir Joseph Bhore: I am quite sure that Mr. Rau will be prepared to give an explanation whenever my friend asks for it.

Then, my friend suggested that he preferred that the three-wheeled carriage which was, I think, the description that he applied to the railway administration, to be turned into a two-wheeled vehicle. May I suggest to him in reply that, provided the three wheels are properly arranged, a three-wheeled vehicle may be much more stable than a two-wheeled one.

My Honourable friend also was evidently filled with deep anxiety as to what had become of the Depreciation Fund. I am sure deep down his mind he suspects when I, Mr. Rau and the present Members of the Railway Board leave their posts, and when the chest is opened, as happened in a famous case in Paris, that the millions will be found to have vanished. Sir, I can assure him that the Depreciation Fund is perfectly safe. He put the question to me last year during the course of the general debate, and I gave him an answer, and I should have hoped that that answer would have satisfied him. May I repeat what I said then? "He", that is Dr. Ziauddin Ahmad, "wished to know where the Depreciation Fund of ours is kept. It is merged in general balances, and we get on our balances the same rate of interest as is charged on our capital outlay". I trust, Sir, that if my friend raises the same question next year, he will rest satisfied with the assurance that I will then give him that I have already replied to his question.

My friend, Mr. Joshi, referred to the Central Advisory Committee and suggested that last year it had not met even once. I think I expressed my regret that last year that had been the case, and, as a matter of fact, since that time the Central Advisory Committee has met twice, and we have introduced what, I think, is a very important innovation in that the members of the Central Advisory Committee are now able to themselves suggest questions for discussion by the Committee.

Then, my friend, Raja Bahadur Krishnamachariar, made certain complaints in regard to the slowness of goods trains. In that matter I have a certain amount of sympathy with him. I can assure him that through goods trains are now being run much more frequently than previously, and the matter will receive the attention of the Railway Board.

He asked why, when we were building big bridges, we did not avail ourselves of the best technical and engineering skill. I can assure him, Sir, that any suggestion to the contrary is quite unfounded when applied to the case of the bridge to which we are referring, namely, the Sara Bridge. We took the best technical advice we could, but as I have said in my speech in introducing the Budget, engineering skill and foresight cannot always cope with the forces of nature when they are uncontrolled.

Raja Bahadur G. Krishnamachariar: Unchained.

The Honourable Sir Joseph Bhore: Unchained.

My friend, Diwan Bahadur Ramaswami Mudaliar, asked, why the operating ratio on the North Western Railway was so much higher than that on certain other lines. May I point out to him that the answer is simple so far as the North Western Railway is concerned, because it includes strategic lines. So far as other railways are concerned, I think that the rise in the operating ratio is very largely due to the fall in receipts.

I must express my gratitude to my friend, Diwan Bahadur Ramaswami Mudaliar, for what he said in regard to the Publicity Bureau. I myself think that it is a most useful and valuable institution, and the suggestions that he has made being based on his practical experience will, I am sure, be very warmly welcomed and carefully considered by the Railway Board.

Then, my friend, Sir Henry Gidney, made a very interesting suggestion. He asked why locomotives could not be built in this country. That suggestion was taken up by more than one Member of this House, and I believe that my friend, Mr. Thampan, has already tabled a Resolution in regard to that matter. I can tell my Honourable friend that the question has already been taken up, it was taken up some months ago, and I can assure the House that the possibilities will be most carefully examined. Sir Henry Gidney wished to know what was being done for the railway staff at Jamalpur in the matter of housing, loans, etc. I would like to assure him that the question has received attention, a temporary post of a special officer has been created in connection with the housing, foodstuffs, financial assistance and general assistance for the staff that has suffered at Jamalpur, and I can assure my Honourable friend that if the East Indian Railway Administration makes any further suggestions in the matter, they will be most sympathetically considered by the Railway Board and the Government.

Sir Leslie Hudson asked, what was being done in the matter of giving railway receipts the status of negotiable instruments. The matter has been referred to various authorities for their views, and we are not yet

[Sir Joseph Bhole.]

in receipt of final opinions in regard to this question. I may say that there is a very great diversity of opinion in the views received from the various authorities referred to, who have replied. I can assure him, however, that the matter will be dealt with at the earliest possible opportunity.

My Honourable friend, Mr. Bhuput Sing, made certain complaints, so far as I was concerned. I am not going to spoon-feed my Honourable friend and I am not going to supply him with cut and dried summaries of what is contained in the papers that have been given him to read. I may tell him that if I did so, his mental faculties might soon suffer atrophy. (Laughter.) However, I would like to set his anxiety at rest on certain matters by telling him that, so far as the question of coal contracts is concerned, we have, as a matter of fact, called for tenders, those tenders are now before us and we are not yet in a position to say what the result will be. In regard to his other question, as to the fall in receipts, I need only point out that one of the first fruits of the examination of that question is the experiment which we are now making on the North Western Railway in regard to the general reduction of third class fares.

I think that I have dealt with most of the points which have been raised in this debate. There is only one matter on which in conclusion I should like to touch. Last year we had a Rail-Road Conference in Simla, and as a result of that Conference, the hope was engendered that there would be real co-operation in the future between the Railway Administrations on the one hand and Local and Provincial Administrations on the other in this most important matter of public communications. We for our part have already made it perfectly clear that we will not rush into any new extensions without the fullest consultation and discussion with the Local Governments and we hope that they in their turn will take into consideration the point of view of the railways in the interests of their own people before they embark on any policy of road construction which may affect the railways. Indeed, it is not so much a matter of the point of view of the railways as the interests of the community at large. Speaking quite generally, I think that the limited resources available can be most fruitfully and most economically spent in opening up new areas which are untapped and unserved rather than in duplicating facilities which already exist.

I would close with one final remark in regard to the attitude of the Railway Department towards the competition which they will be called upon more and more to face from many quarters in the future. Whatever may have been their attitude in the past, my close contact with the Railway Administrations during the past eighteen months has left this much perfectly clear in my mind, namely, that the railways are alive to the fact that it is only by endeavouring to give better service, by endeavouring to give better value for money than their competitors, that they will be able to keep and to increase their clientele in the face of competition. That, Sir, is the spirit which animates the Railway Administrations today and, I hope, will continue to animate them in the future. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 21st February, 1934.

LEGISLATIVE ASSEMBLY.

Wednesday, 21st February, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

TENDERS FOR THE RAISING OF COAL IN STATE RAILWAY COLLIERIES.

176. ***Mr. S. C. Mitra:** (a) When did Government accept the principle of asking for tender regarding the raising of coal in the State Railway collieries?

(b) For how many collieries did they ask for tender this year?

Mr. P. R. Rau: (a) Government issued orders in 1933 that tenders should be called for in State-managed collieries.

(b) Five, i.e., two at Giridih, one at Kargali, one at Bukharo, and one at Swang.

CONTRACTORS FOR RAISING COAL IN STATE COLLIERIES.

177. ***Mr. S. C. Mitra:** (a) Have Government any approved list of contractors for raising coal in State collieries?

(b) Do Government demand any deposit from the contractors before they are allowed to submit tenders?

(c) If not, how do they expect to bar out unreal and fictitious tenders?

(d) Do Government contemplate framing rules, demanding a deposit of a small sum as a condition precedent to the submission of a tender for contract like the Army Department?

Mr. P. R. Rau: (a) No.

(b) No, but Rs. 5 is charged for the purchase of tender documents.

(c) By careful selection based on past experience.

(d) This has not been considered necessary for the particular tenders under consideration.

ACCEPTANCE OF THE LOWEST TENDER BY THE RAILWAY DEPARTMENT.

178. ***Mr. S. C. Mitra:** (a) Do Government in the Railway Department follow the general principle of accepting the lowest tender?

(b) Do Government follow the principle of stating reasons in all cases where they for any reason cannot accept the lowest tender?

(c) Do Government contemplate, in cases when they do not accept the lowest tender, making enquiries from the party concerned about the alleged reasons for non-acceptance of his tender?

Mr. P. R. Rau: The general principles regarding calls for tenders and selections from tenders received are contained in the rules regarding contracts which were issued last year. A copy of the rules is in the Library. Generally speaking, the position is that the lowest tender should be accepted unless such an acceptance would not be to the public interest; and the reasons for not accepting the lowest tender are recorded at the time by the authority making the selection.

MEMORIALS FROM THE TRAVELLING TICKET INSPECTORS OF THE EAST INDIAN RAILWAY TO THE RAILWAY BOARD.

179. ***Mr. M. Maswood Ahmad:** (a) With reference to the reply to the supplementary question to starred question No. 1361, dated the 11th December, 1933, *vide* page 2928 of the Debates, will Government be pleased to state if "certain memorials" include those submitted by the old Travelling Ticket Inspectors of the East Indian Railway to the Railway Board in the last week of July, 1933, to which they have received no reply yet?

(b) If they have not been received yet by the Railway Board, are Government prepared to enquire from the Agent, East Indian Railway, and state as to what has happened to those memorials?

(c) Is it a fact that direct copies of these memorials were submitted to the Railway Board by the memorialists?

(d) If so, what action was taken by Government when they came to know the facts contained in the memorial?

(e) Is there any time limit for the disposal of appeals by the administration?

(f) Is it a fact that employees have a time limit of one month for the submission of appeals?

(g) Do Government propose to see that no employees are kept in the dark about their representations, appeals and memorials, and are informed what steps are being taken?

(h) If Government do not propose to do so, will they be pleased to state what means are left for an employee to draw the attention of the administration?

Mr. P. R. Rau: (a) No.

(b), (c) and (d). The disposal of any memorials regarding pay and allowances, etc., from non-gazetted staff is a matter which generally lies within the competence of the Agent. In matters regarding which, under the rules, no appeal lies to the Railway Board, the Board do not take part unless the Agent refers the matter to the Board for their orders.

(e) No.

(f) Yes.

(g) and (h). Government have no reason to believe that representations, appeals, and memorials are not being replied to by Railway Administrations but instructions are being issued to all administrations that the orders passed on every appeal should be communicated to the employee.

Mr. M. Maswood Ahmad: Will Government be pleased to say what are the sources which make them think that such and such a case is fit for interference?

Mr. P. R. Rau: I have not made any statement of that kind in this case. I said that instructions are being issued to all administrations that the orders passed on every appeal should be communicated to the employee.

Mr. Lalchand Navalrai: What will be the remedy of the employee if he is informed of the reply and the judgment of the Agent?

Mr. P. R. Rau: The remedy is what is contained in the appeal rules. If there is an appeal to a higher authority, then he can appeal.

Mr. Lalchand Navalrai: If there is no appeal, can he apply to the Railway Board to exercise their powers of superintendence?

Mr. P. R. Rau: The appeal rules have been very carefully considered, and the Government do not propose to grant further powers of appeal.

Mr. Lalchand Navalrai: When were those rules considered?

Mr. P. R. Rau: I believe the rules were issued only a few years ago.

Mr. Lalchand Navalrai: Then how is it that the Honourable Member is in a position to say that they have been considered and are being acted upon?

Mr. P. R. Rau: My Honourable friend is putting words into my mouth which I never used.

Mr. Lalchand Navalrai: May I know from the Honourable Member how it is to be found if the rules require amendment?

Mr. P. R. Rau: A copy of the rules is in the Library. My Honourable friend can get them and study them at leisure.

Mr. Lalchand Navalrai: Will the Honourable Member himself go through them and suggest the remedy?

Mr. P. R. Rau: I do not think any remedy is called for.

Dr. Ziauddin Ahmad: In view of the fact that appeals have always got to be forwarded through the proper channel, may I know if any Officer refuses to forward the appeals altogether?

Mr. P. R. Rau: An Officer is not entitled to refuse to forward appeals that lie under the rules.

Dr. Ziauddin Ahmad: He must necessarily forward it?

Mr. P. R. Rau: Yes.

DIRECT RECRUITMENT OF SOME OF THE EX-CREW INSPECTORS ON THE EAST INDIAN RAILWAY.

180. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) With reference to starred question No. 1473 part (b) dated the 20th December, 1933, will Government be pleased to state the reasons for the necessity for the direct recruitment of some of the ex-Crew Inspectors on the East Indian Railway?

(b) With reference to the replies to questions Nos. 1110 and 1389 (b), dated the 18th March and the 2nd April, 1929, laid on the table of this House on the 21st January, 1930, is it a fact that many Travelling Ticket Inspectors who could be conveniently spared by Accounts Department to work in the crew system on its inauguration were utilised on responsible posts and also imparted training to the crew recruits including those who claim themselves to be ex-Crew Inspectors?

(c) Can an employee claim seniority on the basis of his temporary or officiating service in which he was never confirmed?

(d) Is it a fact that all the posts of the Crew Inspectors were temporary and for a purely experimental measure and were offered under a clear agreement of 24 hours' notice of discharge?

(e) Is it a fact that the pay *plus* mileage, i.e., the emoluments reckoned as pay of the old Travelling Ticket Inspectors, exceeded by far the pay of the newly recruited Crew Inspectors?

(f) Is it a fact that the old Travelling Ticket Inspectors and the ex-Crew Inspectors both claimed to be classed as "Inspectors"?

(g) Is it a fact that the comparatively higher initial salary of Crew Inspectors was fixed because they were not given mileage allowance (reckoned as pay) like that given to the old Travelling Ticket Inspectors?

(h) Is it a fact that the maximum pay of a Travelling Ticket Inspector was also Rs. 200 like the Crew Inspectors?

Mr. P. R. Rau: I have called for certain information, and will lay a reply on the table in due course.

SENIORITY OF THE TICKET CHECKING STAFF ON THE EAST INDIAN RAILWAY.

181. ***Maulvi Sayyid Murtuza Saheb Bahadur:** With reference to starred question No. 1474 (d), dated the 20th December, 1933, will Government be pleased to enquire and state if it is a fact that the Agent, East Indian Railway's interpretation of his circular No. 464 of the 26th January, 1927, as embodied in his letter No. O. P. E.-781, dated the 4th February, 1930, has distinctly laid down that officiating service followed by confirmation is not the factor for determining seniority?

Mr. P. R. Rau: I have called for certain information, and will lay a reply on the table in due course.

SENIORITY OF THE TICKET CHECKING STAFF ON THE EAST INDIAN RAILWAY.

182. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Will Government be pleased to state whether Railway Board letter No. 683-E. G., dated the 3rd March, 1931, contained special rules to carry out the policy of retrenchment, or they were intended to interfere with the standing rules of the various Railway administrations on the subject of discharge, dismissal and promotions, etc.?

(b) Will Government be pleased to state if the letter in question is not *ipso facto* cancelled when the findings of the Court of Enquiry were adopted by Government?

(c) If the reply to parts (a) and (b) above be in the negative, will Government be pleased to state if the said letter of the Railway Board [para. (2) (c)] is held to supersede, cancel or modify the Agent, East

Indian Railway's circular No. 464, dated the 26th January, 1927 (para. 4) and the Agent's (O. P.) letter No. O. P. E.-781, dated the 4th February, 1930?

(d) If the reply to part (c) above be in the negative, why the pay and status of the ex-Crew Inspectors before the 1st June, 1931, are taken into account in determining seniority?

(e) Is it a fact that Railway Board letter No. 683-E. G., dated the 3rd March, 1931, does not apply in the case of the old Crew Inspectors?

Mr. P. R. Rau: I have called for certain information, and, on its receipt, will lay a reply on the table.

INAUGURATION OF THE CREW SYSTEM OVER THE DINAPUR DIVISION.

183. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Will Government be pleased to state if it is a fact that on the inauguration of the crew system over the Dinapur Division in 1928, many Crew Inspectors and Assistant Crew Inspectors were recruited direct?

(b) Is it a fact that the old Travelling Ticket Inspectors drawing much higher emoluments and with long services were utilised in lower capacities?

(c) Is it a fact that after practical training of several months these newly recruited Crew Inspectors were subjected to a departmental examination in which they all failed and were subsequently reduced to lower capacities and their places were given to the old Travelling Ticket Inspectors?

Mr. P. R. Rau: I have called for certain information, and will lay a reply on the table in due course.

DISCHARGE OF SUBORDINATES IN THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI.

184. ***Sardar Sant Singh:** (a) Is it a fact that Mr. P. R. Rau informed this House in reply to a supplementary question to starred question No. 1176 of the 27th November, 1933, that no new service code has now been devised under the name of retrenchment, that is, whenever an officer cannot prove a case against any subordinate and the officer finds it inconvenient to have any enquiry, the officer simply dismisses the subordinate on the ground of retrenchment? If so, are not the following letters from the Superintendent (Mr. R. F. Wood), Railway School of Transportation, Chandausi, East Indian Railway, against the Government's reply?

(i) Letter No. 64/1924, dated the 22nd August, 1933, reading: "Voluntarily Retirement."

"A constant source of trouble both in the School and City but it would be difficult to give proper grounds for discharging, it is most desirable that they go."

(ii) Letter No. 64/1952, dated the 25th August, 1933, reading: "Voluntarily Retirement."

"In absence of any orders regarding their retirement they were sanctioned 14 days casual leave as an urgent case and was recalled after expiry of 13 days on arrival of their relief."

(iii) Letter No. 54/1425, dated the 7th September, 1933, reading: "Voluntarily Retirement."

"They are not willing to resign under the ordinary rules, their period of absence (compulsory 14 days casual leave) has been treated as leave without pay."

(b) If so, what action has been taken against the Superintendent (Mr. R. F. Wood)? If none, why not?

Mr. P. R. Rau: The answer to the first part of the question is in the affirmative. In regard to the second part, I am unable to understand what the extracts quoted are meant to prove; it is impossible to draw any conclusions from isolated sentences from various letters. My Honourable friend apparently does not realise that appeals against discharges, if any, can be made under the ordinary rules to the authority above the person issuing the orders of discharge. Government do not consider that their intervention is called for.

CONSOLIDATED ALLOWANCE OF THE TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

185. ***Sardar Sant Singh:** (a) Is it a fact that Mr. P. R. Rau informed this House in reply to part (c) of starred question No. 1272 of the 1st December, 1933, that on reconsideration it has since been decided not to subject consolidated travelling allowance for ticket examining staff on the East Indian Railway to the cut so long as the ordinary daily allowance is not subject to it? If so, will Government please state the length of period during which the ordinary daily allowance was subjected to any cut and to what extent?

(b) If the reply to part (a) be in the negative, what are the circumstances under which the said consolidated allowance was subjected to 12½ per cent. cut for twenty-nine months commencing from the 1st July, 1931, and ending on the 30th November, 1933, on the East Indian Railway ticket examining staff alone?

(c) Was it a uniform cut on all State Railways? If so, what are the circumstances under which it was not imposed on the consolidated allowance drawn by the ticket examining staff on the North Western Railway from the 1st December, 1932?

(d) Do Government propose to consider the exemption of the said consolidated allowance from the said cut with effect from the 1st July, 1931? If not, why not?

(e) Will Government please state whether the grant of a special rate of consolidated travelling allowance sanctioned as an *ex-gratia* measure is subject to any cut? If so, why?

Mr. P. R. Rau: (a) Yes. Ordinarily daily allowance was not subjected to any cut.

(b) As already stated by me in reply to question No. 1272, the cut was imposed generally on all compensatory allowances, including consolidated monthly travelling allowances as a measure of reduction in expenditure owing to financial stringency.

(c) Yes. Government are not aware that it was not imposed on the North Western Railway, but are making enquiries.

(d) No. Government do not see any reason to depart in this case from their usual policy of not granting retrospective effect to such concessions.

(e) The fact that an allowance is granted *ex-gratia* does not operate to exempt it from orders affecting other allowances of a similar nature.

SUPPLY OF RULES, RELATING TO THEIR DUTIES, TO THE RAILWAY EMPLOYEES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

186. ***Sardar Sant Singh:** (a) Is it a fact that under Rule 175 of the Government of India, Railway Department, Notification No. 1078-T, dated the 9th March, 1929, every Railway servant, whether supplied or not with a copy or translation of the rules relating to his duties shall make himself acquainted with such rules? If so, will Government please state the means, other than being supplied with a copy or translation by which a Railway servant shall acquaint himself with the rules?

(b) Is it a fact that no translation of any description has ever been supplied to the railway servants working in Moradabad Division of the East Indian Railway? If so, why?

(c) What steps have now been taken to supply the translation to the railway servants of the said Division? If none, why not?

(d) Do Government propose to take action against the authority concerned in the said Division? If not, why not?

Mr. P. R. Rau: I am enquiring what are the arrangements on the East Indian Railway for ensuring that every railway servant makes himself acquainted with the rules relating to his duties, and shall lay a reply on the table in due course.

RAILWAY ARRANGEMENTS FOR MELAS HELD AT CERTAIN PLACES.

187. ***Sardar Sant Singh:** (a) Is it a fact that Mr. P. R. Rau informed this House in reply to starred questions Nos. 911 and 912 of the 13th September, 1933, that a copy of the questions had been sent to the Agent, East Indian Railway, for consideration in connection with future melas? If so, will Government please state the nature of suggestions made therein which require the consideration of the Agent?

(b) Do Government now propose to inform this House of the facts and figures asked therein? If not, why not?

Mr. P. R. Rau: (a) Yes. I must leave it to my Honourable friend to study the questions and judge for himself.

(b) Government consider that the collection of the detailed information required is not likely to serve any useful purpose.

STATION MASTERS AND ASSISTANT STATION MASTERS HAVING DEFECTIVE EYE SIGHT ON THE NORTH WESTERN RAILWAY.

188. ***Mr. Goswami M. R. Puri:** (a) Are Government aware that on the North Western Railway, Station Masters and Assistant Station Masters who failed in eyesight examination, are either discharged or offered too low salary in other branches? If so, why?

(b) Do Government propose to take steps to provide such candidates who failed with the same salary which they were drawing before?

(c) Do Government propose to reserve certain percentage of commercial and other departmental posts for such failures? If not, why not?

Mr. P. R. Rau: (a) Government are not aware of the particular fact that the Honourable Member is referring to, but their instructions are that staff who have failed in the eye sight test should be offered suitable employment as far as possible.

(b) and (c). No.

POSTING OF ASSISTANT STATION MASTERS AND STATION MASTERS AS GUARDS.

189. ***Mr. Goswami M. R. Puri:** (a) Do Government consider guards better qualified in departmental abilities than the station masters? If not, how is it that only the guards are posted as assistant station masters at big junctions?

(b) If this procedure is to be continued, are Government prepared to post assistants and station masters as B and C class guards in their places?

Mr. P. R. Rau: (a) Government are not prepared to express an opinion on the point raised in the first part of the question. They are not aware that the facts are as stated by the Honourable Member in the second part.

(b) This is a hypothetical question; Government are not prepared to interfere in the posting of station masters and guards.

PAY OF A TRAIN DESPATCHER AT DELHI.

190. ***Mr. Goswami M. R. Puri:** (a) Are Government aware that the responsibilities of a train despatcher at Delhi and other junctions are greater than those of out-door assistant station masters? If so, why is the former paid Rs. 95 while the latter Rs. 260 and over?

(b) Is it a fact that when this work is done by Europeans, they are designated as assistant station masters and are paid Rs. 260 to Rs. 300, but when the same work is done by Indians, they are called train despatchers and paid Rs. 95 only?

Mr. P. R. Rau: (a) I am informed that the reply to the first part of this question is in the negative and the second part does not arise.

(b) So far as I am aware, this is incorrect. The pay of a post is not liable to alter according to whether the incumbent of it is a European or an Indian.

LOW SALARIES OF ASSISTANT STATION MASTERS ON THE NORTH WESTERN RAILWAY.

191. ***Mr. Goswami M. R. Puri:** (a) Are Government aware that the assistant station masters are responsible for the duties of the station masters in his absence, as per working rules? If so, why are not the assistants of the same grade as that of the station masters?

(b) Is it a fact that on certain big stations like Ghaziabad, etc., the assistant station masters performing the same duties are on different grades and getting different salaries?

Mr. P. R. Rau: (a) The duties of an Assistant Station Master, in the absence of the Station Master, are confined to only such matters the disposal of which cannot, in the interests of the safety and expeditious working of traffic in and through the station, be deferred for the Station Master to deal with personally. The second part of the question does not, therefore, arise.

(b) I presume my Honourable friend is referring to the North Western Railway. I have called for certain information and will lay a reply on the table of the House in due course.

RESPONSIBILITIES OF THE STATION MASTERS AND THEIR ASSISTANTS.

192. ***Mr. Goswami M. R. Puri:** Is it a fact that the responsibilities of the station masters or assistants are far greater than those of other clerks? If so, why are they in the same grade in which the other clerks are?

Mr. P. R. Rau: The duties of station masters and clerks vary to such an extent that it is impossible to compare their responsibilities class by class.

The scales of pay for each class of staff are framed after consideration of the duties and responsibilities attached to the post.

LEAVE TO SICK STAFF ON THE NORTH WESTERN RAILWAY.

193. ***Mr. Goswami M. R. Puri:** (a) Is it a fact that on the North Western Railway even the staff reporting sick and unfit for duty are forced to attend hospitals after travelling from 10 to 15 miles?

(b) Is it a fact that the Railway authorities refuse to grant them sick leave, allow them to attend civil hospitals when they are nearer than the railway hospitals and to accept the certificates other than those issued by the Railway doctors and also refuse to countersign them? If so, why?

Mr. P. R. Rau: I have called for certain information, and will lay a reply on the table in due course.

ACCIDENTS OCCURRED DUE TO SHORT-SIGHTEDNESS OF THE STAFF.

194. ***Mr. Goswami M. R. Puri:** (a) Will Government be pleased to lay on the table a list of accidents which occurred due to short-sightedness of the staff?

(b) What is the necessity for medically examining them every third year?

Mr. P. R. Rau: (a) Government are not aware of any cases of accidents which occurred due to defective eyesight of the staff.

(b) Provision for periodical medical examination of staff in the rules is made in the interests of public safety.

REST TO THE STAFF ON THE NORTH WESTERN RAILWAY.

195. ***Mr. Goswami M. R. Puri:** (a) Is it a fact that North Western Railway staff is forced to perform under-rest and double duty, in order to get weekly rest?

(b) Is it a fact that the 12 hours' night continuous duty was considered objectionable before and has now become legal?

(c) Are Government aware that the East Indian Railway is giving proper rest by engaging extra staff? If so, why is not the same procedure adopted on the North Western Railway?

Mr. P. R. Rau: (a) Periods of under-rest and double duty may occur at varying intervals in the case of certain categories of staff. This practice was in vogue before the Act was passed and is not contrary to the provisions of the law.

(b) The question of avoiding continual night duty has been discussed by the Supervisor of Railway Labour, in paragraphs 39 to 41 of his Annual Report on the working of the Hours of Employment Regulations on the North Western and East Indian Railways for the year 1931-32, a copy of which is in the Library of the House. I might add for the information of the Honourable Member that the Agents, North Western and East Indian Railways, have been addressed by the Railway Board stating that the Board considered it desirable that active steps should be taken to reduce to a minimum the number of employees who are continually on duty at night.

(c) I would refer the Honourable Member to the reply given to part (c) of his question No. 179, on the 1st April, 1933.

OVERTIME ALLOWANCE TO THE LINE STAFF ON THE NORTH WESTERN RAILWAY.

196. *Mr. Goswami M. R. Puri: (a) Are Government aware that on the North Western Railway 90 per cent. of the line staff is still not getting casual leave on important occasions in time? If so, are Government prepared to allow the staff to perform extra duties-hours for this purpose, sanctioning overtime allowance? If not, what steps do Government propose to take to enable the staff to get leave in time?

(b) Are Government aware that the over-time allowance rules are so framed by the North Western Railway authorities that it is impossible for the staff to get any, even though they perform over-time duties?

(c) Will Government kindly lay on the table a complete list of the over-time allowance sanctioned and the over-time slips received up to November, 1933, from the time the amended Railways Act has come into force?

Mr. P. R. Rau: (a) and (b). Full powers with regard to these questions have been delegated to the Local Railway Administration and the staff who feel they have a grievance can bring it to the notice of the responsible authorities. Government do not consider that their intervention is called for.

(c) Government regret they are unable to supply the information required as the time and labour involved in collecting it will not be justified by the results.

GRANT OF INTERMEDIATE CLASS PASSES TO THE SUPERIOR STAFF ON THE NORTH WESTERN RAILWAY.

197. *Mr. Goswami M. R. Puri: Is it a fact that on the North Western Railway the superior staff entitled to travel in the intermediate class have to travel in third because the provision passes are for third class? Are Government prepared to either issue one third and one intermediate class pass separately or make the same available by intermediate class when used by superior staff?

Mr. P. R. Rau: A provision pass is intended for servants; and is always issued in the lowest class. Government see no reason to alter this practice.

INELIGIBILITY OF PASS HOLDERS TO CHANGE THE CLASS OF THE TICKETS ON THE NORTH WESTERN RAILWAY.

198. *Mr. Goswami M. R. Puri: Is it a fact that on the North Western Railway, pass-holders are not entitled to change into higher class even on payment of difference of fares? If so, why?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 198 and 199 together. The practice on the North Western Railway is as stated by the Honourable Member. I might add that the suggestion that pass holders or those holding privilege ticket orders should be entitled to travel in a higher class on payment of extra fares was recently made by the All-India Railwaymen's Federation and is at present under the consideration of the Railway Board.

INELIGIBILITY OF PRIVILEGE TICKET HOLDERS TO CHANGE THE CLASS OF THE TICKETS.

199. *Mr. Goswami M. R. Puri: Is it a fact that the tickets issued to railway staff on privilege ticket orders are not treated as fully paid tickets, as regards a change to higher class on payment of difference of fares? If so, why?

POSITION OF RAILWAYS IN THE NEW CONSTITUTION.

200. *Mr. Goswami M. R. Puri: In the new Award, is railway to be reckoned as a central department and are all State Railways to be under one Crown proprietor?

Mr. P. R. Rau: So far as I can see, the White Paper proposals, to which I imagine my Honourable friend refers, make no change in this respect from the present position.

GRIEVANCES OF THE GUARDS IN THE JUBBULPORE DIVISION OF THE GREAT INDIAN PENINSULA RAILWAY.

201. *Mr. Goswami M. R. Puri: (a) Is it a fact that on the Great Indian Peninsula Railway, Jubbulpore Division, the C class guards are representing their very serious grievances since the last nine years to the Railway Board, but no action has so far been taken?

(b) Is it a fact that the staff is gagged and is not allowed by the Divisional Superintendent to make any correspondence on the subject?

(c) Is it also a fact that they were refused permission to appear before the Royal Commission?

(d) Why is the lower grade introduced for guards only? Are the officers and any other staff working on lower grade than in force in other divisions?

(e) On whose authority was such lower grade introduced?

(f) Is it a fact that outsiders were directly appointed in "B" class, debarring old "C" class guards?

(g) Are Government aware that Anglo-Indian Ticket Collectors are still directly promoted to "A" class from Rs. 70 to 130? How many

†For answer to this question, see answer to question No. 300, 21. 2. 1934.

Anglo-Indian guards are working in "C" class on the Great Indian Peninsula Railway? If not, is it not a colour distinction?

(h) Is it a fact that the vacancies of "B" class guards are not filled? If so, why?

(i) Is it a fact that the above action of the Divisional Superintendent, Jubbulpore, is against the General Traffic Manager's Order No. C. W.-635 (iv) of 1917? What action do Government propose to take to redress the long standing grievances of the "C" class guards in Jubbulpore Division?

Mr. P. R. Rau: (a) Government are not able to trace any such representations having been made to them.

(b) and (c). Government are not aware that this is the case.

(d) to (i). Full powers have been delegated to the Local Railway Administration in the matters complained of in the question and Government do not consider their intervention is called for, but a copy of the question has been sent to the Agent, Great Indian Peninsula Railway, for his information.

ABSENCE OF A BOOK ACCESSIBLE TO THE STAFF ON PERSONAL MATTERS ON THE NORTH WESTERN RAILWAY.

202. ***Mr. Goswami M. R. Puri:** Is it a fact that on the North Western Railway there is no book accessible to the staff on personal matters? Do Government propose to compile one, or if there is any, supply a copy of the same to each station?

Mr. P. R. Rau: I regret that I have not been able to follow the Honourable Member's question or to understand what book he refers to.

SALE OF NEWS SHEETS TO PASSENGERS TRAVELLING BY THE GRAND TRUNK EXPRESS AT NAGPUR AND ITARSI.

203. ***Mr. S. G. Jog:** (a) Is it a fact that the Railway authorities sell news sheets to passengers travelling by the Grand Trunk Express at Nagpur and Itarsi and some other Railway stations?

(b) Is it a fact that they are supplied to second and first class passengers free?

(c) Will Government please state since when this innovation has been introduced?

(d) Will Government please state whether any sanction from the Railway Board or Railway Finance Committee was obtained for this arrangement?

(e) Will Government please state what is the reason for making this arrangement?

(f) Will Government please state if they propose to put the financial burden of this arrangement on the Railway Budget?

(g) Is it a fact that a newspaper system as Daily News of Nagpur has complained against this arrangement and encroachment on the profession of journalism?

(h) Do Government propose to take steps to remove the complaints?

Mr. P. R. Rau: (a) No. The news sheet which is a registered newspaper is distributed free.

(b) Yes.

(c) The first news sheet was issued on the 1st January, 1934.

(d) No such sanction was necessary.

(e) It is an ordinary publicity arrangement for popularising travel.

(f) I am informed by the Railway Administration that the cost of production of the news sheets is negligible.

(g) Government have no information.

(h) I have reason to believe that this service is much appreciated by the travelling public. In any case, this is a matter of detail affecting the publicity arrangements of the Railway in which Government do not feel it necessary to interfere.

RECRUITMENT OF MEMBERS OF MINORITY COMMUNITIES IN THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI.

204. ***Mr. Muhammad Anwar-ul-Azim:** (a) Will Government please state whether the order in which certain officials have been confirmed as lower division clerks during the period commencing from January, 1932 in the office of the Deputy Accountant-General, Posts and Telegraphs, Delhi, is the same as shown in the list sent by me to the Department concerned?

(b) If so, will Government please state:

(i) the circumstances in which every third vacancy was not given to a member of the minority community, and

(ii) whether the fact that the members of the minority communities have not been offered every third vacancy reflect on their position in the seniority list for future promotions in service?

The Honourable Sir George Schuster: With your permission, Sir, I will deal with this and the next question together.

Enquiry is being made and complete replies will be laid on the table in due course.

LOSS OF OFFICIAL RECORDS FROM THE POSTAL AUDIT OFFICE, DELHI.

†205. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that certain official records were lost during the last year from the S. B. Branch of the Postal Audit Office, Delhi?

(b) If so, will Government be pleased to:

(i) give a description of the records lost, and

(ii) state whether the same have since been recovered?

(c) Will Government please also state:

(i) what action was taken to find out and punish the real culprits, and

(ii) whether the matter was reported to the police for necessary action?

(d) If the reply to part (c) (ii) above be in the negative, will Government be pleased to state their reasons for doing so?

†For answer to this question, see answer to question No. 204.

(e) Is it a fact that following the loss of records referred to above, the head of the office in conjunction with the Union of the office formed a "Vigilance Committee" to investigate the matter and find out the mischiefs-makers?

(f) If so, will Government be pleased to state:

(i) whether this Committee succeeded in performing its functions, and

(ii) if not, what were the reasons under which the Committee could not work?

MUSLIMS IN CHARGE OF ESTABLISHMENT OR ADMINISTRATION SECTIONS IN THE ACCOUNTS AND AUDIT OFFICES.

206. *Mr. Muhammad Anwar-ul-Azim: Will Government please state the number of Muslims who have been put in charge of the Establishment or Administration Sections in all the Accounts and Audit Offices under the Auditor General in India from the 1st April, 1919, to the 31st March, 1933, and how does this number for each financial year compare with the total number of Muslim employees in those offices?

The Honourable Sir George Schuster: The posting of officers and superintendents is regulated with reference to their aptitude and abilities and other administrative considerations, and not on a communal basis. No useful purpose would, therefore, be served by collecting the information asked for by the Honourable Member.

CLASSIFICATION OF THE POSTS OF GAZETTED OFFICERS AND SUPERINTENDENTS OF ESTABLISHMENT AND ADMINISTRATION SECTIONS OF THE OFFICES UNDER THE AUDITOR GENERAL AS TENURE POSTS.

207. *Mr. Muhammad Anwar-ul-Azim: (a) Has the attention of Government been drawn to resolution No. (5) of the All-India Accounts and Audit Offices Employees' Union, Delhi, published in the *Weekly Mail* of the 21st August, 1933, demanding that the posts of gazetted officers and Superintendents in charge of Establishment and Administration Sections of the various offices under the Auditor General in India should be classed as tenure posts and that the personnel for those appointments should be selected in rotation from different communities?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state if they are prepared to adopt the suggestion? If not, why not?

The Honourable Sir George Schuster: (a) Yes.

(b) As postings are regulated in the manner indicated in my reply to the preceding question, Government are not prepared to adopt the suggestion.

INADEQUATE REPRESENTATION OF THE MINORITY COMMUNITIES IN THE ACCOUNTS AND AUDIT OFFICES.

208. *Mr. Muhammad Anwar-ul-Azim: (a) Has the attention of Government been drawn to the resolutions passed by the All-India Accounts and Audit Offices Employees' Union, which were published in the *Weekly Mail* in its issue of the 21st August, 1933?

(b) Is it a fact that the Resolutions *inter alia* demand the appointment of a Committee of Enquiry to investigate into the continued inadequate representation of the minority communities in the Accounts and Audit Offices?

(c) Are Government prepared to institute any such enquiry? If not, why not?

The Honourable Sir George Schuster: (a) and (b). Yes.

(c) No. The question of removing communal inequalities in the Indian Audit Department is receiving the constant and careful attention of the Auditor-General. The rules regarding the recruitment of members of minority communities to the clerical grades are being enforced. In the grades filled by departmental promotion from the clerical grades, the rules laying down recruitment ratios do not apply. The Auditor-General is, however, taking what steps he can to increase the representation of minority communities in the Subordinate Accounts Service from which the subordinate gazetted staff is selected.

FIXATION OF PERCENTAGE FOR EACH COMMUNITY FOR GOVERNMENT SERVICE.

209. *Mr. Muhammad Anwar-ul-Azim: Is it a fact that the question of fixation of a definite share of representation for each community in the various Government appointments is under consideration of Government? If so, will Government be pleased to state what progress has been made in that connection and when the result may be expected to be out?

The Honourable Sir Harry Haig: I would invite the Honourable Member's attention to the replies I gave on the 23rd August, the 30th August and the 27th November last to starred questions Nos. 19, 189 and 1213. I regret that I am not in a position to add anything to those replies at present.

ABSENCE OF MUSLIM EMPLOYEES OF THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, CALCUTTA, ON THE ID DAY

210. *Haji Chaudhury. Muhammad Ismail Khan: (a) Are Government aware:

- (i) that the Muhammadan employees of the office of the Deputy Accountant-General, Posts and Telegraphs, Calcutta, have been called upon to separately explain the cause of their absence on the 17th January, 1934, the day when Id was observed;
- (ii) that the Deputy Accountant-General has threatened to take disciplinary action against the Muhammadan employees for not taking necessary previous permission to absent and to observe the Id holiday and for not attending office on the Id day after the Id prayers;
- (iii) that the Muhammadan duffries and menials have been threatened with dismissal for their attending office after 12 A.M. on the Id day;
- (iv) that in all the Government offices Muhammadans were granted a sectional holiday on the 17th January, 1934, as the moon was visible on the previous day and that the action of the Deputy Accountant General, Posts and Telegraphs, is unprecedented?

(b) If the replies to parts (a) (i) to (iv) be in the affirmative, what action, if any, do Government propose to take against the person or persons responsible for this behaviour towards the Muhammadan employees of that office to guard against a recurrence of such unfortunate situation in future?

The Honourable Sir George Schuster: Enquiry is being made and a complete reply will be laid on the table in due course.

REDUCTION OF FIVE POSTS OF CLERKS IN THE PUNJAB TELEGRAPH CIRCLE.

211. ***Mr. Vidya Sagar Pandya:** (a) Is it a fact that five posts of ordinary time-scale clerks in the Punjab Telegraph Circle are to be reduced as a measure of retrenchment?

(b) Is it a fact that all senior or superannuated men of the ordinary time-scale have already been retrenched and that men of comparatively shorter length of service are now left in the cadre?

(c) Is it the recognised rule that junior clerks of the ordinary time-scale should be reverted to the lower division and that reduction should start from the most junior men in the latter grade?

(d) Is it also a fact that the Director General, Posts and Telegraphs, has ordered that for the purposes of retrenchment lower selection grade, ordinary time-scale and lower division should be considered as one cadre?

(e) Is it also a fact that the Postmaster-General, Punjab and North-West Frontier Circle, Lahore, contemplates retrenching, in violation of the Director General's orders, the most junior men in the ordinary time-scale instead of reverting them to the lowest class of clerks, i.e., the lower division clerk?

(f) Is it also a fact that while making retrenchment among the telegraph clerks previously the lower selection grade, the ordinary time-scale and the lower division were considered as one cadre?

(g) If so, will Government please state the special grounds on which the previous procedure is not followed by the Postmaster-General, Lahore, and what action do Government propose to take in the matter so as to safeguard the interests of the unfortunate junior clerks in the ordinary time-scale in preference to those standing most junior in respect of service in the entire clerical cadre?

The Honourable Sir Frank Noyce: (a) to (g). Information has been called for and will be laid on the table in due course.

RECRUITMENT OF TEMPORARY CLERKS IN THE GOVERNMENT OF INDIA OFFICES.

212. ***Sardar Sant Singh:** (a) Are Government aware that the Public Service Commission issue certificates to those candidates whom they have declared suitable for temporary employment in the Civil Secretariat and its Attached Offices on the results of the Third Division Ministerial Service Examination held in 1932? If so, are the Public Service Commission issuing similar certificates to outsiders who never sat for any competitive examination? If so, why?

(b) How many certificates in all have been issued so far and under what circumstances? Who recommends to the Public Service Commission the grant of such certificates to outsiders?

(c) Are Government also aware that the Public Service Commission circulated to all the Departments of the Government of India a list of candidates who had obtained 40 per cent. or more marks for temporary employment in the respective offices? If so, will Government please state the number of candidates appointed out of that list by each of the Department and the number of those who never appeared in any of the examinations?

(d) Are Government aware that the Departments of the Government of India have already got discretionary powers to appoint whomsoever they like in temporary vacancies and under that provision they generally appoint those who never appeared at any examination, thus shutting the doors for the passed men? If it is not so, why are outsiders being allowed to work in some of the offices?

(e) In view of the above revised procedure adopted by the Public Service Commission, do Government propose to insist that the recruitment even in temporary or officiating vacancies is made only out of those who appeared at competitive examinations held by the Public Service Commission and whom they have declared qualified for such employment and not from amongst the outsiders?

(f) Do Government also propose to replace the unqualified outsiders now working in different offices of the Government of India by those whom the Public Service Commission have declared suitable for temporary employment? If not, on what grounds?

The Honourable Sir Harry Haig: (a) The Public Service Commission issue no such certificates.

(b) Does not arise.

(c) In accordance with the instructions in clause IX of paragraph 1 of the Home Department Office Memorandum No. F.-452/27-Establishments, dated the 8th December, 1928, a copy of which is in the Library, the Public Service Commission supply each of the Government of India offices, which recruit through them, with a list of candidates at the last examination whom they consider qualified for temporary employment. The information asked for in the second portion of this question is being collected, and will be laid on the table of the House in due course.

(d) I would invite the Honourable Member's attention to clause IX of the Office Memorandum referred to above from which he will observe that Departments have discretion to appoint candidates from outside the list prepared annually by the Public Service Commission. The latter part of the question does not arise.

(e) and (f). These matters are under consideration.

RECRUITMENT OF SIKHS IN THE OFFICE OF THE DIRECTOR GENERAL,
POSTS AND TELEGRAPHS.

213. *Sardar Sant Singh: (a) How many permanent, temporary and officiating vacancies occurred in the office of the Director General of Posts and Telegraphs in 1930, 1931, 1932 and 1933, respectively, in each of the

grades and how many were given to Hindus, Muhammadans and Sikhs, belonging to different provinces?

(b) Are Government aware that after many years' representation that office appointed a Sikh in 1933 only in a permanent vacancy, though the orders regarding the recruitment of minority communities exist since 1928?

(c) Are Government aware that that Sikh was later on declared qualified for the First Division of the Secretariat and as such was offered an appointment in another office in the First Division?

(d) Are Government further aware that the vacancy caused by the transfer of this Sikh has been given to a non-Sikh, and the claims of the Sikh community have been ignored? What were the reasons for not recruiting a Sikh in the vacancy caused by the transfer of a Sikh when there was no other Sikh in a permanent post in that office?

(e) How many unqualified Bengalis are at present working in temporary or officiating vacancies and what are their qualifications? What are the special reasons for their appointment and is it a fact that they already overwhelmingly predominate in that office?

(f) How many unqualified Muhammadans are at present working in temporary and officiating vacancies and what are their qualifications? What is the total number of Muhammadans at present employed permanently in that office as against Hindus and members of other communities belonging to different provinces?

(g) Do Government propose to order the recruitment of Sikhs in future vacancies to give that community its due share on the staff of the Director General, Posts and Telegraphs? If not, why not?

The Honourable Sir Frank Noyce: (a) It is presumed that the Honourable Member requires information as to appointments to the grades of assistants and clerks in the Director-General's office, as these are the only grades, other than that of inferior servants, to which appointments were made direct. A statement furnishing the information is laid on the table.

(b) The facts are substantially as stated by the Honourable Member, but two unqualified Sikhs were appointed in officiating vacancies in 1932, as the Public Service Commission were unable to nominate a qualified Sikh candidate until 1933.

(c) Yes.

(d) Yes. The Public Service Commission were asked to nominate a member of a minority community for the vacancy and selected a Muslim. As they did not select a Sikh, they have recently been asked to nominate one for an existing vacancy. It is not a fact that at present there is no Sikh holding a permanent appointment in the Director-General's office.

(e) Three. They hold permanent appointments as record lifters and have been given temporary promotion as they were considered fit for it. As regards the last part, Bengalis are in a majority.

(f) One. He is a good typist and has a fair knowledge of stenography. With regard to the latter part, a statement is laid down on the table.

(g) The Honourable Member is referred to the reply just given to part..
(d) above.

Statement of permanent, temporary and officiating vacancies in the clerical grade in the Office of the Director-General of Posts and Telegraphs and how filled up.

Year.	Number of permanent vacancies.		Communities of different Provinces by which filled up.	Number of temporary and officiating vacancies.		Communities of different Provinces by which filled up.	Remarks.
	Assistants.	Clerks.		Assistants.	Clerks.		
1930	Nil	Nil	Nil	Nil	Nil		
1931	Nil	Nil	Nil	Nil	2*	1 Anglo-Indian from the Punjab. 1 Hindu from Madras.	*In Stenographer's grade.
1932	Nil	15	2 Anglo-Indians from the Punjab. 1 Christian from Bengal. 3 Muslims from the United Provinces.	Nil	8	2 Hindus from Bengal. 2 Christians from Madras. 2 Sikhs from the Punjab. 2 Muslims from the United Provinces.	†Permanent record lifters of the office. ‡Retrenched official of the office.
1933	Nil	13	9 Hindus { 5 from Bengal. 3 from Madras. 1 from the Punjab.	Nil	8	3 Hindus from Bengal. 2 Sikhs from the Punjab.	§4 retrenched officials of the office.
			7 Hindus { 3 from Madras. 3 from the United Provinces.			2 Christians from Madras and the Punjab.	
			1 Sikh from the Punjab. 5 Muslims { 3 from the Punjab. 2 from the United Provinces.			1 Muslim from the United Provinces.	

Number of Muhammadans, Hindus and members of other communities belonging to different Provinces employed in the Office of Director-General of Posts and Telegraphs.

Province.	Muslims.	Hindus.	Other communities.
Bengal	7	135	..
Bihar and Orissa	4	..	..
United Provinces	5	3	..
Punjab	9	2	5 (including 1 Sikh).
North-West Frontier	1	..	..
Delhi	2	..	..
Madras	..	6	..
Total	28	146	5

Sardar Sant Singh: May I know how many Sikhs there are in the Director-General's office?

The Honourable Sir Frank Noyce: There is one permanent Sikh in the Director-General's office.

RECRUITMENT OF SIKHS IN THE OFFICE OF THE DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.

214. ***Sardar Sant Singh:** (a) How many permanent, temporary and officiating vacancies occurred in the office of the Director General, Indian Medical Service, in 1932 and 1933, respectively, in each of the grades, and how many were given to Hindus, Muhammadans and Sikhs?

(b) Are Government aware that that office appointed a Sikh some time back in a permanent vacancy after many years' representation?

(c) Are Government also aware that that Sikh was later on transferred to the Home Department, and since then he has been made provisional permanent?

(d) Are Government further aware that the vacancy caused by the transfer of the Sikh has been given to a non-Sikh, and that the claims of the Sikh community have been ignored? What were the reasons for not recruiting a Sikh in a vacancy caused by the transfer of a Sikh when there was no other Sikh in a permanent post in that office?

(e) Do Government propose to order the recruitment of Sikhs in future vacancies so as to give that community its due share on the staff of the Director General, Indian Medical Service? If not, why not?

Mr. G. S. Bajpai: (a) A statement giving the information required is laid on the table.

(b) A Sikh clerk, who had been employed in the office of the Director-General, Indian Medical Service, for 13 years died in 1931 and another Sikh was appointed to a permanent vacancy in 1932.

(c) Yes.

(d) and (e). As the clerk in question has not been yet confirmed in the Home Department and still holds a lien on his permanent appointment in the office of the Director General, Indian Medical Service, the vacancy caused by his transfer could be filled only on an officiating basis. If the vacancy becomes permanent, the question of appointing a Sikh permanently will receive due consideration.

Statement.

		Number of vacancies.			Communities by which filled.		
		Perma- nent.	Tempo- rary.	Offici- ating.	Hindus.	Muham- madans.	Sikhs.
Superintendent	{ 1932	..	..	..	..	..	..
	{ 1933	..	..	*1	..	..	..
Assistants	{ 1932	..	..	4	3	9	..
	{ 1933	..	..	8	..	..	..
Clerks	{ 1932	1	..	8	11	6	3
	{ 1933	3	..	8	..	..	..

* Filled by a European.

Mr. M. Maswood Ahmad: Are Government aware as to what is the percentage of the Sikh community in India?

Mr. G. S. Bajpai: Government are quite aware of that.

Mr. Gaya Prasad Singh: Will Government kindly note that in appointing men to jobs, the numerical strength of a particular community should also be taken into consideration?

Mr. G. S. Bajpai: Well, Sir, I am not prepared to make a general statement on that subject, but so far as the minority community of Sikhs is concerned, their numerical population is taken into account.

Mr. Gaya Prasad Singh: Do I take it that the numerical strength of all minority communities is taken into consideration when making appointments, or only in the case of the Sikhs?

Mr. G. S. Bajpai: The composition of the staff of a Department is taken into consideration first, the percentages of the various communities are considered, and then decisions are taken, in the event of minority representation being required, as to which minority community should be given representation.

Mr. Gaya Prasad Singh: Do Government propose to take into consideration the numerical strength of all the minority communities in making appointments to public services?

Mr. G. S. Bajpai: No, Sir.

Mr. Gaya Prasad Singh: Why?

Mr. Lalchand Navalrai: May I know if, on account of these discriminations, Hindus have become a minority community in India, or not? (Laughter.)

Mr. G. S. Bajpai: I am not aware that, so far as the composition of the various Departments with which I am concerned is concerned, that has happened.

RECRUITMENT OF SIKHS IN THE OFFICE OF THE DIRECTOR OF PUBLIC INFORMATION.

215. *Sardar Sant Singh: (a) How many permanent, temporary and officiating vacancies occurred in the office of the Director of Public Information in 1930, 1931, 1932 and 1933, respectively, in each of the grades, and how many were given to Hindus, Muhammadans and Sikhs?

(b) Are Government aware that there is not a single Sikh in a permanent or temporary post in that office even though the orders regarding the recruitment of minority communities were issued by the Home Department in 1928? What measures do Government propose to adopt to safeguard the Sikhs' interests in that office?

(c) Are Government also aware that whenever a temporary or officiating vacancy occurs it is generally given to a Madrasi? If so, why?

(d) Will Government please state the total number of Madrasis already employed in that office and their qualifications?

The Honourable Sir Harry Haig: (a) A statement giving the information is placed on the table.

(b) The position is as stated by the Honourable Member, but I assume that he is referring to the general orders issued in February 1926. As to the latter portion of this question, I would invite his attention to my replies to parts (b) and (c) of unstarred question No. 332 on the 14th December last and to part (b) of starred question No. 936 on the 15th September last.

(c) No. Out of the 15 vacancies that occurred during the period in question only three, covering a period of 2 months and 11 days in all, were given to Madrasis.

(d) No Madrasi is at present employed in the office of the Director of Public Information.

Statement.

Year.	Nature of vacancy.	Community to which recruit belonged.
1930	3 temporary in II Division. 1 permanent as stenographer.	Two Hindus and 1 Muslim. Indian Christian.
1931	1 officiating as stenographer.	Hindu.
1932	2 temporary in II Division. 2 officiating in II Division. 1 officiating as stenographer.	One Hindu and 1 Muslim. Two Hindus. Hindu.
1933	2 officiating in II Division. 1 temporary in I Division. 1 temporary in I Division. 1 officiating as stenographer.	Two Hindus. Muslim. Hindu. Hindu.

Mr. K. P. Thampan: Are Madrasis precluded from being appointed to this Department?

The Honourable Sir Harry Haig: No, Sir. It is only an accident that Madrasis have not been appointed.

Mr. K. P. Thampan: In view of the fact that there are not any Madrasis occupying permanent posts in that Department, will Government be pleased to consider the desirability of appointing a few Madrasis permanently in that Department.

The Honourable Sir Harry Haig: I think Madrasis are quite capable of looking after their own interests. (Laughter.)

Mr. K. P. Thampan: In view of the discontent prevailing among the Sikhs as voiced by my Honourable friend, Sardar Sant Singh, will Government devise some means by which the Sikh community will be in a position to hold their own intellectually as against Madrasis and to pass the Public Service Commission examinations as efficiently as the Madrasis?

Mr. Lalchand Navalrai: May I know if Madrasis are classed as a minority community?

The Honourable Sir Harry Haig: No, Sir.

Diwan Bahadur A. Ramaswami Mudaliar: Is there a cross division also, according to provinces, in addition to communities? Do Government recognise that cross division?

The Honourable Sir Harry Haig: No, Sir. I hope the position is quite clear to the House that there is no question of provincial representation in the services.

RECRUITMENT OF SIKHS IN THE OFFICE OF THE ASSISTANT COMMISSIONER, INCOME-TAX, DELHI CIRCLE.

216. *Sardar Sant Singh: (a) What is the total number of permanent, temporary and officiating non-gazetted appointments under each category in the office of the Assistant Commissioner, Income-tax, Delhi Circle, and all its subordinate offices? How many of them are held by Hindus, Muhammedans and Sikhs?

(b) How many vacancies under each category occurred during 1932 and 1933 and how many were given to the Sikhs in accordance with the Home Department orders regarding the recruitment of minority communities?

(c) Are Government aware that the Sikhs are very poorly represented in this particular Circle, and that the area is mostly populated by Sikhs?

(d) Do Government propose to order the recruitment of Sikhs in all the future vacancies under each category, so as to give the Sikh community its due share? If not, why not?

The Honourable Sir George Schuster: (a) and (b). A statement is laid on the table.

(c) The representation of various communities is considered for the Department as a whole and not by Assistant Commissioner's Divisions separately.

(d) The Government do not propose to take the course suggested in this part of the question, since such action would be in contravention of the general orders on the subject which they have issued.

Statement showing the total number of permanent, temporary and officiating non-gazetted appointments under each category in the office of the Assistant Commissioner of Income-tax, East Punjab Division and Delhi and all its subordinate offices by communities.

(a)

	Anglo-Indians.	Hindus.	Muslims.	Sikhs.	Others.	Total.
Inspectors	..	11	7	4	2	24
Clerical establishment	1	66	37	7	5	116

Statement showing how vacancies of temporary Inspectors and Clerks in the East Punjab Division and Delhi were filled up during the financial year 1931-32

(b)

	Anglo-Indians.	Hindus.	Muslims.	Sikhs.	Others.	Total.
Inspectors	..	7	3	2	1	13
Clerical establishment	..	17	25	9	4	55

No new posts were sanctioned during the financial year 1932-33.

Mr. Gaya Prasad Singh: May I know why merit alone is not recognised as the sole test for being appointed to Government services so as to get rid of this communal and other representations?

The Honourable Sir George Schuster: So far as possible, of course, merit is the determining factor, but my Honourable friend is quite aware of the policy of the Government of India in the matter of securing a certain representation of minority communities.

Mr. M. Maswood Ahmad: Will Government be pleased to state whether there is any mechanical machinery to test the merit and efficiency of a candidate.

Mr. Gaya Prasad Singh: "Public Service" examinations.

The Honourable Sir George Schuster: I would suggest that my Honourable friend, who has asked the question, might ask my Honourable and learned friend, Dr. Ziauddin Ahmad, to devise a piece of machinery for that purpose. (Laughter.)

SCALES OF PAY FOR THE INDIANS IN THE ARMY AND ROYAL AIR FORCE HEADQUARTERS.

217. ***Sardar Sant Singh:** (a) What are the reasons for creating a very low scale of pay for the Indians in the Army and Royal Air Force Headquarters as compared with the Europeans, and what are the comparative scales for both the nationalities?

(b) Are Government aware that the new scale of pay, particularly that of Third Division, is much lower than that of the Secretariat and its Attached offices?

(c) Is it a fact that Government's policy to eliminate the racial discrimination has been in vogue ever since the new Reforms? If so, why have Government now decided to revert to the policy of racial distinction in respect of the recruitment in the Army and Royal Air Force Headquarters?

(d) Are Government further aware that Indians with higher academic qualifications enter these offices by hard competitions and the proposed scale of pay does not give them even living wage at Simla?

Mr. G. R. F. Tottenham: (a) The scales are (1) for soldiers, and (2) for civilians, not for Europeans and Indians. The scales are laid down in paragraph 34 of Part I and Appendix III of Part I, Special, of Pay and Allowance Regulations, except that 20 per cent. is added to the pay for civilians.

(b) Army Headquarters pay generally has always been less than Secretariat pay, but if the Honourable Member will examine the scales, he will find that the pay for the lower division in Army Headquarters is not less, but more favourable than the pay for the routine division of the Secretariats.

(c) There is no racial distinction. The distinction is between soldiers and civilians of all nationalities.

(d) Government are aware that entry is by competition. The minimum pay for Army and Royal Air Force Headquarters is the same as for the Secretariats, and Government cannot accept the suggestion that it is inadequate.

ABSENCE OF SIKH CLERKS IN THE OFFICE OF THE DIRECTOR OF RAILWAY AUDIT.

218. ***Sardar Sant Singh:** (a) How do Government account for the total absence of Sikh clerks in the office of the Director of Railway Audit?

(b) Are Government aware that this demand has been made by the Sikh community since its creation but no action has so far been taken?

The Honourable Sir George Schuster: (a) This office is mainly manned by persons transferred from other offices at the time of its inception. Only six new recruits have been taken in, and one of them is a Sikh.

(b) I do not recollect any representation with regard to this particular office.

Sardar Sant Singh: Is the Honourable Member aware that some persons try to pass off as Sikhs while they are not?

The Honourable Sir George Schuster: Would my Honourable friend repeat his question?

Sardar Sant Singh: Is the Honourable Member aware that the person who is represented to be a Sikh is not really a Sikh, but passed off as a Sikh when he applied for the job, and that the office knows that fact?

The Honourable Sir George Schuster: I have no knowledge that this is so—that any person passes off as a Sikh who is not a Sikh. If my Honourable friend has any information to give me on the subject, I shall be glad to receive it.

Mr. N. M. Joshi: If people find it convenient to pass off as Sikhs, does this not show that it is easy for Sikhs to get jobs in the Government of India?

Dr. Ziauddin Ahmad: Are Government aware of the opposite fact of Sikhs passing into the services as non-Sikhs and Hindus? I can give several illustrations?

ABSENCE OF SIKH READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

219. ***Sardar Sant Singh:** (a) Is it a fact that there is not a single Sikh Reader in the Reading Branch of the Government of India Press, New Delhi?

(b) Is it a fact that the Manager has refused to consider the application of Sikh graduates for appointment as Readers? If so, why?

(c) Is it a fact that all posts of Proof Readers are being filled by bringing Bengali copyholders who are neither graduates nor possess any other University qualifications? If so, why?

The Honourable Sir Frank Noyce: (a) Yes.

(b) No: the latter part does not arise.

(c) No. Three Bengali copyholders have recently been promoted as Readers after a qualifying examination; but entrance to the grade is not confined either to copyholders or to Bengalis.

READERS AND COPYHOLDERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

220. ***Sardar Sant Singh:** (a) What are the scales of pay of readers in the Government of India Press, New Delhi, and how many readers are graduates, intermediates and matriculates?

(b) Is it a fact that there is not a single graduate reader in the New Delhi Press and the Manager of the Press is determined not to admit any graduate as reader?

(c) What is the number of copyholders in the Reading Branch, and how many are Bengalis?

(d) How many Bengali copyholders were in employment on the 1st November, 1933, and how many more Bengali copyholders have been recruited since that date?

The Honourable Sir Frank Noyce: (a) The scales of pay of the Readers (excluding the Head Reader) are:

Old scales Rs. 200—10—250, Rs. 160—10—200, Rs. 110—8—150 and Rs. 60—4—100.

New scales Rs. 100—5—150—10—200 and Rs. 55—3—85.

No Reader has graduated or passed the Intermediate Examination. Nine are matriculates.

(b) The reply to the first part is in the affirmative, and, to the second part, in the negative.

(c) 27 and 11, respectively.

(d) 11 and 3, respectively.

SHORT NOTICE QUESTION AND ANSWER.

LOWERING THE STATUS OF INDIAN OFFICERS HOLDING KING'S COMMISSIONS IN THE ARMY.

Diwan Bahadur Harbilas Sarda: (a) Are Government about to take measures in the Army Department which would in practice comparatively lower the status of Indian officers holding King's commissions in the Army?

(b) Are these measures going to result in the disappearance of messes for these officers, in the lowering of their pay, and inferior quarters being assigned to them for residence?

(c) Is it a fact that they will under these measures be entitled only to three months' furlough, while British officers of the same rank will be entitled to six to eight months' furlough?

(d) Is it a fact that those who successfully pass the Indian Military Academy will get a starting pay of Rs. 250 per mensem, which is lower than that given to the men passing through Sandhurst?

Mr. G. R. F. Tottenham: (a), (b) and (c). I assume that the Honourable Member is referring in the first three parts of the question to those Indian officers who have received the King's Commission after passing through a training college in England. I can assure him that no alteration is contemplated in the pay or general conditions of service of these officers. The only question that is under consideration is whether they really require the same amounts of leave as are provided for British officers serving in a country other than their own—but no decision has yet been reached on this point. In every other respect they will certainly continue to be treated in exactly the same way as British officers.

(d) New terms and conditions of service, more appropriate for officers serving in their own country, are being evolved for the future Indian Commissioned officer, who will receive his Commission after passing through the Indian Military Academy at Dehra Dun. It has already been announced in a communiqué issued so long ago as July 1932 that the pay of these officers will be lower than that hitherto drawn by British officers in India and Indian officers who have passed through Sandhurst and that the new starting pay will be Rs. 300 not Rs. 250. The complete scales have not yet been finally settled but they are being based on the pay of British Army officers serving in their own country.

Mr. Lalchand Navalrai: May I ask, Sir, why is it that a difference is going to be maintained? Why is it that those who come out from the Academy in India will get lesser pay than those who come from England although they may be Indians?

Mr. G. R. F. Tottenham: As I said just now, we are preparing rates of pay and conditions of service which we consider to be more appropriate for a national army. When the entry to the Indian army was through Sandhurst, the entry was small and we did not consider it necessary to make any discrimination at all between the pay of Indian and British Officers. But if the Indianisation of the army is to lead to economy, which is one of the main arguments, it is obviously necessary that the pay of the Officers of the national Indian army of the future should be lower than the pay of the present Indian army, which contains a number of British Officers who are serving in a country other than their own.

Mr. Gaya Prasad Singh: Do I understand that the Indian Officers who pass through Sandhurst will continue to draw the lesser amount of pay which Indian Officers passing out of the Dehra Dun Military Academy will receive?

Mr. G. R. F. Tottenham: The Honourable Member is not to understand that. If he had understood my answer, he would have realised that the Indian Officer who has passed through Sandhurst will continue to draw exactly the same pay as the British Officer who has passed into the Indian army through Sandhurst and there is to be no alteration of any kind in this respect.

Mr. Gaya Prasad Singh: Why is it, then, that Indian Officers, who pass through the Dehra Dun College, will receive lesser pay than the Indian Officers who come from Sandhurst?

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has explained that point.

Diwan Bahadur Harbilas Sarda: May I ask, Sir, if there is going to be any other discrimination except what the Honourable Member has just stated with regard to the conditions of service against those who pass from the Dehra Dun Military Academy?

Mr. G. R. F. Tottenham: That is another and a much larger question. There will be certain alterations in the general conditions of service for the Indian Officer who passes through Dehra Dun. That is to say, he will have a different set of leave rules and there will be other alterations of that kind. If the Honourable Member wants further information about that, I would be glad if he would put down a question on the paper.

Mr. D. K. Lahiri Chaudhury: May I ask the Honourable Member whether, for the sake of economy, he proposes to revise the service conditions of the British Officers?

Mr. G. R. F. Tottenham: That would be impossible. The existing Officers have certain rates of pay which cannot be interfered with.

Sir Hari Singh Gour: May I inquire if it is the intention of Government that Indians will continue to be qualified for military service from Sandhurst even after the establishment of the Military College at Dehra Dun? And, if so, will not a distinction still exist between Indians

coming out from Sandhurst and those coming out of the Dehra Dun College, as regards pay?

Mr. G. R. F. Tottenham: No, Sir. As soon as the Indian Military Academy was started, it took the place entirely of the education of Indian Officers by the Training Colleges at home. No more Indians will proceed either to Sandhurst or to Woolwich for training now that we have our own national institution in India.

Mr. M. Maswood Ahmad: May I draw the attention of the Chair to the fact that in connection with these short notice questions, we hear those questions just on the floor of the House. Will it not be better if copies of these short notice questions are sent to us along with other papers?

Mr. President (The Honourable Sir Shanmukham Chetty): The answer to the Honourable Member's question is contained in the nature of the question itself. It is a short notice question.

Mr. M. Maswood Ahmad: My question is that copies of these short notice questions may be supplied to us along with other papers.

Mr. President (The Honourable Sir Shanmukham Chetty): That is not possible, otherwise it ceases to be a short notice question. The very idea of these short notice questions is that notice is generally given just a day in advance and the Honourable Member for Government undertakes to give an answer, and there is not sufficient time to enable Honourable Members to get copies of these questions.

Mr. Uppi Saheb Bahadur: May I suggest, Sir, that we may follow the procedure of the Madras Council where copies, even of short notice questions, are supplied to the Honourable Members?

Several Honourable Members: Copies of short notice questions are not supplied.

UNSTARRED QUESTIONS AND ANSWERS.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

76. Sardar Sant Singh: (a) Will Government be pleased to state if they are not going to regard a sepoy's discharge certificate, given during the War, under section 17 of Indian Army Act, VIII of 1911, showing the cause of discharge as 'By Medical Board' as amounting to an evidence to show that he was discharged on 'Medical grounds' for the purpose of Recommendation No. XII of the War Pensions Committee?

(b) In what way the discharge of a sepoy under A. G. in India letter No. 23418/20/A. G. 6-R., dated the 6th July, 1915, as medically unfit for active service 'proves the Pension Controller's (Lahore) view taken in his letter No. G.-3/2463, dated the 29th November, 1933, as medically unfit for active service and not on account of any bodily injury'?

(c) Does the Indian Army Act recognize some other documents, apart from a discharge certificate, to be handed over to a sepoy on discharge?

(d) What sort of proof under Recommendation No. XII of the War Pensions Committee did Government contemplate to be taken from the sepoys when the discharge certificate as in (a) above is regarded to be an insufficient proof for establishing the facts that (i) his disability was contracted on field and foreign service, and that (ii) he was discharged on medical grounds and that (iii) the cause of his discharge was either wound, injury or illness?

(e) Does the assumed acceptance of the Pension Controller's disposal, by the Adjutant General, in pre-Committee period, offer ground for not revising the case in the light of Government officers on Recommendation No. XXI? If so, how?

(f) Are the medical history sheets, and the proceedings of the original Medical Board in (b) above not available in the Record Offices? If so, how the decision of the Controller in face of the discharge certificate as in (a) above and in face of the Adjutant General in India letter referred to in (b) above, is justified?

Mr. G. R. F. Tottenham: Enquiries about question Nos. 76 to 80 have been instituted, and replies will be laid on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†77. **Sardar Sant Singh:** (a) Is it a fact that family pension claims have taken over ten years in investigation, despite scores of petitions, appeals and reminders?

(b) Will Government be pleased to refer to letter No. G4/8511, dated the 20th December, 1933, of the Pension Controller, Lahore, and state what further delay the office formalities would still need before the starving mother and a minor son of the deceased can expect to receive a family pension?

(c) Is there no provision for expediting the investigation where the deceased left old parents and minor children?

(d) Do Government propose to expedite decision in the claim?

RECOMMENDATIONS OF THE WAR PENSIONS COMMITTEE.

†78. **Mr. S. G. Jog:** (a) With reference to their orders on Recommendation No. VII of the War Pensions Committee, will Government be pleased to state why the Government of India ordered the revision of a pension with effect from the 20th April, 1932, as per information contained in letter No. 987/843/P., dated the 24th November, 1933, from the Officer-in-Charge, I. A. S. C. Records, Dagshai?

(b) Do they intend that Recommendation No. XVII of the War Pensions Committee should have effect from the 20th April, 1932?

(c) What is the significance of this particular date—the 20th April, 1932,—in the case? How is it arrived at?

†For answer to this question, see answer to question No. 76.

RECOMMENDATIONS OF THE WAR PENSIONS COMMITTEE.

†79. **Mr. S. G. Jog:** (a) Is it a fact that it has been decided by the D. C. M. P., Lahore, in his letter No. G. 3/130, dated the 18th December, 1933, that Government orders on Recommendations Nos. VI, VII and XXI, of the War Pension Committee do not contemplate revising the claims for arrears of war pensions in which the pensionary award was made with effect from a date later than the one of the preferment of the claim either by the Officer Commanding or by the individual?

(b) Will Government be pleased to state the reasons for excluding such revisions as mentioned in part (a) from the province of their orders on Recommendations Nos. VI, VII, and XXI?

RELATED CLAIMS FOR FAMILY WAR PENSIONS.

†80. **Mr. S. G. Jog:** (a) Is it a fact that in family pension claims, which were once admitted with strict regard to paragraph 44 of the Financial Regulations for the Army in India, Part I, full arrears to the pensions are not allowed, when the pensioner for some reasons or other including those of her ignorance and illiteracy, fails to draw her pension for over three years? If so, why?

(b) Have not Government declared in Army Instructions that family pension claims are not time-barred?

(c) Is there any specific rule in the Army Regulations for disallowing arrears beyond three years in such cases as mentioned in part (a) above?

CLOSING DOWN OF THE CENTRAL BOOK DEPOT IN CALCUTTA.

81. **Mr. Muhammad Azhar Ali:** With reference to the reply to Mr. S. C. Mitra's unstarred question No. 216, dated the 27th November, 1933, will the Honourable Member in charge of the Department of Industries and Labour be pleased to state whether any decision has been arrived at by the Government of India regarding the closing down of the Central Book Depot in Calcutta? If so, what is the purport of the decision?

The Honourable Sir Frank Noyce: The Government of Bengal have since withdrawn their proposal to undertake the agency for the sale of the Government of India publications.

HARDSHIPS OF THE STAFF OF THE CENTRAL PUBLICATION BRANCH.

82. **Mr. Muhammad Azhar Ali:** (a) Are Government aware that during the heavy outbreak of monsoon one young man, typist, of the Central Publication Branch, named Tulsi Ch. Mukherji, who was suffering from illness of serious type, had to be removed in a stretcher from the 'E' type quarters allotted to him to another place owing to the room he was occupying having been inundated with water from the leaky roof?

(b) Are Government aware that the poor shelter against rains had already aggravated his illness?

(c) Are Government aware that the slender billet he was left with after various deductions did not enable him to obtain proper medical treatment?

(d) Are Government aware that when he was asked by the attending physician to leave for Calcutta, he could not go as he was penniless?

†For answer to this question, see answer to question No. 76.

(e) Are Government aware that as a last resort he had to pawn his wife's jewellery to scrape together only the expenses of the journey?

(f) Is it a fact that the poor man has of late breathed his last, leaving a young widow?

(g) Are Government aware that one permanent record supplier named Nurul Huq of the Central Publication Branch died of pneumonia in the Balok Ram Hospital? Are Government aware that he was reduced to such straits that his burial expenses had to be borne by subscription?

(h) Are Government aware of the hardship of the staff?

The Honourable Sir Frank Noyce: (a) Information to this effect has been furnished by a friend of the deceased since this question was tabled.

(b) No.

(c) No: he was entitled to free medical treatment.

(d) and (e). No. He applied for an advance of Rs. 100 from his General Provident Fund on the 7th July, 1933, but withdrew his application on the 19th July.

(f) A report was received from the widow of the clerk that her husband died at Joyrampore on the 27th December, 1933.

(g) The reply to the first part is in the affirmative, and, to the second part, in the negative.

(h) This part of the question is too vague to permit of a definite answer.

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 19th February, 1934, agreed without any amendments to the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 15th February, 1934."

THE RAILWAY BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now take up the Demands for Grants under the Railway Budget. It has been represented to the Chair that the various Parties and certain representatives of unattached Members have come to an informal agreement with regard to the procedure to be followed in discussing the Demands for Grants. The Chair has been told that the Parties would like the order to be varied, so that each Party might have an opportunity of discussing a particular cut motion. This practice has been adopted in the past, and the Chair has no objection to adopt that practice if it is the desire of the House. The Chair takes it that it has been correctly informed with regard to the understanding arrived at by the Parties. If that understanding is to be given effect to, it necessarily follows as a corollary that there ought to be a time-limit on speeches. The Chair would, therefore, suggest, in accordance with the practice which was followed last year, that the Mover of a cut motion may have 20 minutes and other speakers 15 minutes each. It is hoped the House would agree to this.

What the Chair then proposes to do is this. This morning the Independent Party will have its turn and move the motion of which notice has been given by Diwan Bahadur Ramaswami Mudaliar (motion No. 133) to discuss the passengers' amenities. In the afternoon we shall take up a cut motion to discuss the Statutory Railway Authority. It has also been represented to the Chair that the House would like to have a little more time to discuss this than the other subjects. Therefore, what the Chair suggests is that the motion relating to the Statutory Railway Authority may be discussed this afternoon and continued for an hour tomorrow morning also, that is, from 11 to 12 o'clock, because there are no questions tomorrow. From 12 to 1-15 the Nationalist Party will have their turn, and in the afternoon the Centre Party will move their motion. On Friday morning, the European Group will have their turn, and, on Friday afternoon, one of the representatives of the unattached Members may take a particular motion, and, on Saturday, the discussion will be resumed in the natural order in which it appears in the Order Paper. Does that meet the convenience of the House?

(All the Honourable Members signified their consent.)

Mr. N. M. Joshi (Nominated Non-Official): In view of the fact that we have to discuss very important questions such as the Statutory Railway Board, may I ask whether it is possible for you to sit longer than five o'clock on these days, that is, today, tomorrow and the day after.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair will certainly sit longer if it is the desire of the House. In fact, the discussion on the Statutory Railway Board will commence this afternoon, and the Chair will be glad to sit till 5-30 today.

Kumar Gopika Romon Roy (Surma Valley *cum* Shillong: Non-Muhammadian): When will my cut motion come up?

Mr. President (The Honourable Sir Shanmukham Chetty): In the natural order.

DEMAND No. 1—RAILWAY BOARD.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I move:

"That a sum not exceeding Rs. 8,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of the 'Railway Board'."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That a sum not exceeding Rs. 8,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of the 'Railway Board'."

Passengers' Amenities.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadian Urban): Sir, I move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."—
Passengers' Amenities.

[Diwan Bahadur A. Ramaswami Mudaliar.]

Mr. President, I have been told from more than one quarter that this is a hardy annual and that very little useful purpose will be served by discussing a question of this kind. If you will go through the notice of cut motions that have been given by various Honourable Members from all sections of the House, you will find that a large number of these motions relate to travel facilities and passenger amenities over all the railways. It seems to me clear that however much this question has been discussed year after year, it still requires a solution and that most Honourable Members of this House are anxious that a proper solution should be found for this question. I may at once state that I have no intention by this motion to censure the Railway Board. My anxiety is more to bring certain facts to the notice of the Honourable the Railway Member and the Railway Board in the hope that fresh facts that have been placed before them will enable them to adjust their policy and, what is more necessary, to make the Agents of these railways readjust their policy with reference to this very important question. I am aware also that in the reports that have been supplied of the working of the railway system in this country year after year, there is a ponderous and a very elaborate enumeration of various travel facilities and passenger amenities which have been promoted in the course of the year by the different railway systems. If still, I venture to discuss this question, it should not be presumed that I have not gone through this list very carefully.

My Honourable friend, Sir Joseph Bhore, complained, and, I think, to a certain extent legitimately, that while the grievances were multiplied and put forward before this House very constantly, the number of facilities that were being given to the travelling public and the improvements that had been made from year to year were not sufficiently stressed. I am here this morning to stress both on the improvements that have been made during the last ten years and also to point out the omissions that are yet to be rectified. I know that during the last ten years, there have been many railway systems which have made some improvements with reference to the travelling public. But, Sir, the Honourable the Commerce Member is aware, and none better, that the demands of the public have been growing apace, that the consciousness of their rights has increased from year to year, and that people are now asking for more comforts, more elaborate comforts than they had in the spacious days when to enter a railway carriage was in itself a luxury, that travel by railway carriage was something of an adventure in many a man's life. Those days are past, and now people are beginning to realise, with larger experience of the working of the various systems of railways in other countries, that greater comfort should be given to them and that greater facilities should be afforded to the public. I plead, therefore, that the time has come for a re-orientation of the policy with reference to the amenities that should be provided to the travelling public. We have continued under the old system and have tried merely to patch up here and there what may be called acute discontent of the railway passengers, but I venture to think that the time has now come to re-examine the whole question and so settle the policy with reference to the amenities that may be gradually given to the travelling public.

Let me take one instance, and, in this, I disclaim any consideration of racial prejudice or any other kind of prejudice. You take any railway guide and you see there the timings of the various railways and you find

opposite the timings, particularly with reference to mail and express trains an indication where creature comforts may be obtained by the travelling public. *Chota Hazri* at 6-30 at such and such a place, breakfast at 9-30 at such and such a place, lunch between 1 and 2 at such and such a place, evening tea at 4-30 at such and such a place, and dinner at 7-30 at such and such a place. Now, my Honourable friend, Sir Joseph Bhore, must know that these timings and these facilities at these particular places can only be availed of by a very small, may I say, a microscopic, section of the travelling public. Some of us, who have accustomed ourselves to western ways, may have our breakfast at 9-30, lunch between 1 and 2, and dinner at 7-30, but my Honourable friend knows, none better, that the vast majority and the bulk of the travelling public cannot with any comfort utilise these hours for their meals. They want different hours altogether. They are not accustomed to breakfast at 9 o'clock, they are not accustomed to lunch at 1 o'clock. It seems to me that the facilities are so organised, the timings are so adjusted and the interval so given that it can only suit a very small section of the upper class passengers of the travelling public and that it has merely ignored the comforts or the necessities of the vast majority of the travelling public. We had occasion to refer to the severe competition of the bus with railway traffic and my Honourable friend, the Leader of the European Group, has, I understand, tabled a motion with reference to that question and suggesting ways and means by which this competition may not be aggravated without detriment either to the railway company or to the bus companies. Here is a case where the vast majority of the travelling public feel that their conditions of life are not recognised by the railway companies. It may be that in the early days, when these systems were first evolved, when the timings were first made, they were appropriate, but they are not appropriate at the present day. I am not here asking that any facilities should be taken away from the upper class passengers. In these days, when facilities can be given to these classes, without having those stoppages at that particular time, it does not mean any deprivation of the creature comforts of the upper class passengers at all. Let us imagine for a moment what would be the nature of comforts that would be required by a vast majority of the Indian public who are third class passengers, who, let me point out, are the very people that resort to bus traffic. The facilities that are necessary for these classes of passengers are that they should have their meals, at the time at which they are accustomed to take their meals, and there should be sufficient interval for these meals and at those places there should be more elaborate arrangements for Indian refreshments and more space where they can sit down and have their meals between 11 and 11-30 with half an hour's interval. What is far more important is, that at important places, they should have facilities for bathing, say, a quarter of an hour. Let us imagine, if these facilities are given to the third class passengers, how comfortable these classes of passengers would feel in travelling. It must often be a sight for the Honourable the Commerce Member when he goes about in his tours to see a passenger having a small vessel and rushing off to a tap and trying to cleanse himself and to have a bath and his ablutions all performed within five minutes time when the train is about to start. If, on the other hand, you were to give these facilities to third class passengers, I venture to think that railway travelling will be much more popular than it is at the present day. Not only that, but the train timings and the way in which the trains travel from place to

[Diwan Bahadur A. Ramaswami Mudaliar.]

place require revision. In England and in other places, where the competitive system of railway traffic exists, one is constantly struck by the fact that each system of railway tries to outbid the other in the sharpness with which it takes its passengers and the quickness with which it performs the journey. Nothing strikes one more than the competition between the various railway systems in England in their journey, for instance, from London to Edinburgh,—the Flying Scotsman, the Royal Scotsman and various other trains who try to compete with each other in a journey covering a distance of just over 300 miles; and yet a difference of 15 or 20 minutes makes all the difference between the manner in which they get their traffic and the manner in which they get passengers to travel by these railways. Here, where the railways are monopolists, except for rare occasions and in rare cases like the travel from Bombay to Delhi, the railway companies have their own timings and have their own rates of mileage and travelling. I am aware here also that timings have improved during the past and that railways make quicker journeys now than they used to do. Several trains have come into existence like the Madras Bombay Express train or some of the Express trains in the northern part of India where these timings have been speeded up. But, I venture to think that, still more can be done and has to be done.

To revert to an old subject which is so constantly stressed on the attention of this House, the Grand Trunk Express completes a journey of 1,350 miles or so in 49 hours. No other decent train on the broad gauge in this country takes so much time to complete so short a journey. The G. I. P. Railway does it in 36 hours, the B., B. and C. I. Railway does it in less time, the East Indian Railway takes almost the same time, but it has been left to this Grand Trunk Express to take an inordinately long time to complete this journey. The one Express train or Mail train or both combined which makes the journey from Madras to Delhi takes such an inordinate time that people find it much more easy and much less troublesome, and to a certain extent much quicker, to do the journey through Bombay rather than take up this straight journey from Madras and come to Delhi. The same thing is the case with the Calcutta Mail from Madras to Calcutta which takes 38 hours to do a distance of just over a thousand miles. It seems to me that these things also require revision.

I have been told that in these matters of time tables and speeding up of trains, the Local Advisory Committees have got various powers of advising these railway systems and that the Local Advisory Committees are the proper bodies and the meetings of the Local Advisory Committees are the proper forum where such questions may be discussed. I venture very humbly to make a suggestion. The Local Advisory Committee concerns itself only with the traffic in a particular area so that through trains are really outside their control and outside their ken. It is not possible for a Local Advisory Committee to adjust the time table when the train runs through many areas which concern different Local Advisory Committees. And I venture to suggest that the services of the Central Advisory Committee may be requisitioned where the train runs through many areas concerning many Local Advisory Committees, and that with reference to the timings of such through trains at least the advice and the suggestion of the Central Advisory Committee may be helpful to the various Railway Administrations.

Then, again, Sir, take the question of courtesy extended to railway passengers. My Honourable friend, the Commerce Member, very rightly

and very indignantly protested against the insinuation that discourtesy was a marked feature of the railway servants all over India. I agree that there are many hundreds and perhaps thousands of officers and staff of the Railway Department who are courteous to passengers, and not merely the upper class but also the third class passengers. But there are a few who show marked discourtesy. I am not on the question of courtesy or discourtesy, but I want to suggest that there are ways and means by which what little discourtesy there may be can be negated or eliminated. Take, in the first place, the question of a poor, ignorant and illiterate passenger going to a ticket window at the third class office in a railway station, specially a crowded station and perhaps a junction station, and trying to get his ticket. It is a phenomenon if he gets it in time and if he gets back his change in proper form. I do not want to make a very serious suggestion but more than once a passenger at any rate feels that he has not got back his proper change and that some one or other has done him down,—it may be that it is a fellow-passenger who has come up to help him in getting the change. Supposing at these places, where there is a rush at a large station, you employ one railway official who undertakes to get the ticket and the proper change on behalf of these illiterate passengers from the ticket window or, at any rate, supervise it from time to time, I venture to think that some at least of the difficulties of these railway passengers, who are unable to count their change or to find out whether the proper change has been given, will be to a certain extent minimised. It must be the experience of many who travel on these railways to find an unfortunate woman or even an illiterate man come up to you, place a ticket in your hand and the change, and say, "Please let me know whether I have got the proper change or not". Why should not the railway employ some man of its own staff to supervise these things in places where it is crowded and where it is easy for some one or other,—I do not directly suggest the railway ticket giver,—but some one or other to cheat these poor unfortunate people?

Take, again, the question of adequate travelling facilities by way of accommodation. My Honourable friend, Mr. Joshi, has made a special study of this question and time after time he has pointed out that whereas the upper class passengers get a certain accommodation much more than what is due to them, the lower class passengers get what is very much less than that. I do not propose to have understood these somewhat mystical calculations of Mr. Joshi. I am at once prepared to concede that overcrowding is not a peculiar feature of the Indian railways, that in many railways overcrowding cannot be obviated at all and that in many railways overcrowding is a common feature of not merely the third class, but even of first class traffic. One has to travel on Continental railways to find that men with first class tickets travel all through the night in the small corridor standing, without any sitting space whatsoever, in all the cold and in all the discomfort of European travelling, particularly in winter. And, therefore, I recognise that no railway system in the world can mitigate the evils of overcrowding at particular times.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I hope the Honourable gentleman is aware that third class passengers on the Continental railways can get sleeping accommodation, and the sleeping compartments are different, while you have not got such a facility on the Indian railways.

Diwan Bahadur A. Ramaswami Mudaliar: I thought I had already answered that question. Passengers of no class in a Continental railway or in English railways or in American or in any other railways that I know of

12, 31 N 34

63542

[Diwan Bahadur A. Ramaswami Mudaliar.]

gets sleeping accommodation automatically. They have got to buy a supplemental ticket for sleeping accommodation, whether they are third class passengers or first class passengers or second class passengers. It is only in this country that upper class passengers claim the right for sleeping accommodation and get that sleeping accommodation along with their ordinary ticket.

Mr. C. S. Ranga Iyer: Is the Honourable gentleman prepared to recommend that the same facility can be provided, not automatically, but in the same manner in which it is provided on the Continental railways, for third class passengers with regard to sleeping accommodation?

Diwan Bahadur A. Ramaswami Mudaliar: Let me get on with my speech, specially as I am aware . . .

Mr. President (The Honourable Sir Shanmukham Chetty): No deduction will be made for these interruptions.

Diwan Bahadur A. Ramaswami Mudaliar: I am sorry I gave way out of courtesy to my esteemed friend. I hope my Honourable friend will realise that want of time and not lack of courtesy makes it impossible to pursue the very interesting suggestion that he has made.

I was suggesting that overcrowding is not an abnormal feature of Indian railways, but, taking all that into consideration, I still venture to think that more accommodation can be and ought to be provided for third class passengers.

Take, again, the question of fares which I raised the other day, fares which are abnormal in one system of railway as compared with another system of railway, fares which are very great in the Madras and Southern Mahratta Railway and which are comparatively small in the North Western Railway, and fares which preclude passengers from taking advantage of travelling by these railways, because they are so exorbitant and because it is so much easier to travel by bus and avoid the discomforts of a railway journey. Now, it seems to me that it is a very short-sighted policy to stick to these high fares in these days when it is not possible to maintain such high fares to attract a certain amount of travelling public which is essential if the railways are to pay at all. I do not see why on the Company-managed railways there ought to be allowance made for such high fares, and why on the State-managed railways the Railway Board is in a position to reduce the fares from time to time.

I have already adverted to the fact that return tickets are unknown in many of these railways which are Company-managed—the Madras and Southern Mahratta Railway and the broad gauge section of the South Indian Railway in particular, while such return fares are given on constant occasions very often and sometimes as a matter of perpetual routine in many other systems in North India. It seems to me that if railway travelling is to be made enjoyable and if railway travelling is to be made popular resort should be had to these things and I venture to express a very uneducated opinion on this subject when I say that, by reduction of these fares and by resort to a system of return tickets, the railway company will not lose, but will in the end gain. I hope the point will be borne in mind by the Railway Board and by the Commerce Member and that they will be able to do something in this direction also.

Now, Sir, however much we may plead for decentralisation of authority to the various Agents and to the various systems of railways, the Railway Board is peculiarly situated in this country and has a responsibility which it cannot divest itself of. The system is such that Agents of Company-managed railways play a very minor and very inferior part in the railway administration of this country. That is not properly appreciated when questions of administration come up. What, after all, does a Company-managed railway do? What is the money that it puts into the working of the system? The whole line is owned by the State; all major repairs are made by the State; the cost of renewal of stocks is borne by the State; the entire capital is furnished by the State. What the Company does is merely to manage the system and, to that extent, it puts in a very limited amount of capital. I have no desire at all in any way to depreciate the splendid work that Company-managed railways do; but I venture to think that Company-managed railways cannot be allowed to have their own way in many of these matters. May I say, while on this point, that there are Company-managed railways which have also seen to it that passenger traffic is properly regulated and that some conveniences are given to passengers? We are told that these are commercial concerns. But for the fact that this is reiterated time after time on the floor of this House, I would like to ask any Honourable Member whether, in travelling by these railway systems, he at any time is impressed with the fact that it is a commercial undertaking. Do you find on the part of any of the authorities that run these railways or of the staff any anxiety to see that the commercial concern prospers, an anxiety to see that the commercial concern attracts the necessary clientele, an anxiety to see that that clientele is satisfied, because it is a commercial concern? We have to remember that it is a commercial concern on paper, but, in the actual working, there is little difference between this concern and any other bureaucratic system of Administration; and I venture to say that, in spite of my friend, Mr. Dudhoria, it is the same whether it is a Company-managed system or whether it is State-owned and State-managed. Therefore, I plead for a re-orientation of policy as I began my speech . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has only two minutes more.

Diwan Bahadur A. Ramaswami Mudaliar: I plead, therefore, for a re-orientation of policy, and I venture to reiterate that it is not by way of censure that I am moving this motion, but with a view to bringing large questions of policy before this House and for the consideration of the Railway Board, so that the passenger traffic will have further amenities given to them and the railways run merely as commercial concerns, attracting clientele and satisfying their clientele.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, I wish to take part in this debate so that I may be able to draw the attention of the railway officials to certain matters with regard to the inconvenience experienced by poor Indian passengers. It is an admitted fact that almost all the railways in India allow concession in railway fare for all classes on the occasion of Christmas; but the same

[Khan Bahadur Haji Wajihuddin.]

concession is denied in the case of pilgrims for Hedjaz to the Indian ports, pilgrims on the occasion of *Urs* to Ajmere, Delhi and certain other places. I think great injustice is being done to these pilgrims, because these gatherings are in no way less important than *Kumbh Melas* at Allahabad and Hardwar. In spite of the fact that no concession is allowed to these pilgrims, it is a matter of common knowledge that, with a view to disposing of the exceptionally strong rush of visitors, the railway authorities sometimes provide these third class pilgrim passengers with goods wagons and, on certain occasions, attach to the third class waiting rooms a few enclosures, very much like cages, without any water or urinal, where these passengers are locked up for hours to await the arrival of the next train. May I ask, if this practice is not highly objectionable and a disgrace to the Railway Board? For instance, I will quote the case of the Benares Cantonment Station which lies in my own constituency. Benares is a city where there is more or less a rush of Hindu passengers all round the year and the Cantonment Station is the one which is generally the most crowded: yet, in this important station, where there is commonly a preponderance of Hindu women passengers, all the platforms are quite open excepting a small nominal shed on one of them, and thus the pilgrims have perforce to be exposed to the scorching heat of the summer or get wet during the rains without any sort of protection provided for them by the railway authorities concerned. It is the third class pilgrims who suffer most in almost every season of the year. Another source of inconvenience to them in the Benares Cantonment Station is that though the down platform is provided with three exits, still, except on special occasions, however great be the rush, only one exit is opened in charge of a solitary Ticket Collector, with the result that the rush is greatly intensified and people have to suffer great discomfort and sometimes even actual physical pain on account of having to wait for a long time with their luggage and baggage before they can go in or come out. Yet another serious drawback is that on this very station there is hardly any arrangement on these platforms, none at least on the down platform, for cold drinking water and the sufferings of the general public, especially the women pilgrims can readily be understood without much elaboration. With your kind permission, Sir, I will quote a few sentences from the report submitted by Mr. Muhammad Ekram Khan, Magistrate, who was on duty at the Benares Cantonment Station on the 20th and 21st August, 1933, on the occasion of the solar eclipse:

"I reached there at about 12-45 A.M. and saw a great rush of pilgrims pouring into the station from all directions. The bridge gates on the top were locked up and there was a crowd gathered there. The right top gate of the bridge facing towards the Parcel Office was once opened to pass some passengers with the result that it was at once rushed by the gathering crowd, and as there is a slope in coming down, the women who were in front of the crowd fell down and the entire crowd passed over them resulting in serious injuries to their faces and side of the ribs. They were removed to the Railway Hospital by the Samiti people, but unfortunately there was nobody there to attend to them, and so I phoned to the Health Officer to arrange for their removal to any other Hospital and requested one of the Samiti people to look after them and see that they were removed to a City Hospital

Between 4 and 5 P.M., it began to rain. The pilgrims were entirely wet and wanted to enter the platform towards the side where the Police office is for sitting under shade, but they were driven back by the Ticket Collectors and on my questioning one of them he replied that he could not allow them to come to the platforms by such illegal entrance. On the whole the arrangements at the Cantonment Station were entirely unsatisfactory."

The Railway Administrations are largely dependent on third class passengers for their earnings, and, in spite of the fact that these poor passengers are their golden customers, the railways do not take proper care of their comforts. If I mistake not, ninety per cent. of the income is derived by the sale of third class tickets, but I am sorry to say that the third class passengers are almost ignored everywhere. I hope the House will agree with me that these poor passengers are the main pillars of the Administration on which the railways of India stand, and so they deserve to be provided with adequate comforts and other advantages in every respect.

In this connection let me invite the attention of the railway officials that, during summer months, it is very necessary to have one or two fans provided in each third class compartment. Sir, electric energy is not very costly, because the railways themselves produce this energy on the train at almost a nominal cost, while, on the other hand, the proposed improvement in the third class carriages will attract the travelling public to patronise the railways more liberally in preference to the rival concern, I mean the motor transport. Apart from adding to the comforts of the travelling public, it would no doubt make the railways more popular, and so more paying. It is a business proposition, Sir,—"A satisfied customer is the best asset".

In conclusion, I wish to make an appeal to my Honourable and esteemed friend in charge of the Department to consider these comments sympathetically and do his best to have the inconvenience removed as soon as possible.

Mr. N. M. Joshi: Sir, the Honourable the Mover of this motion, Diwan Bahadur Ramaswami Mudaliar, said that he did not propose this motion as a censure upon Government. I propose to speak in order to censure Government. My friend, Mr. Ramaswami, also said that Government should now adopt a new orientation in their policy. I ask the Government of India to do the same. I feel that the policy which they had followed in the matter of the passenger traffic was a wrong one, and it requires a new orientation.

Mr. President, I have been placing certain figures before the Legislature year after year. My friend, the Diwan Bahadur, said that they were mystical. There is no mystery in those figures at all. These figures are given in the Reports which are circulated to us every year, and I shall quote some of them again. There is only one seat for 12 first class passengers, or we may say that one first class seat is used 12 times in a year. There is one seat for 90 second class passengers, or we may say that one second class seat is used 90 times in a year, while there is one seat for 400 third class passengers, or we may say that one third class seat is used 400 times in a year. It must be admitted that a first class seat is used longer,—the average travelling of a first class seat is each time 180 miles, that of the second class seat is 60 miles, and that of the third class seat is 35 miles. In order to give advantage to first and second class seats of longer travelling, I shall change the figures giving them that advantage, and we shall then find that a first class seat is used 60 times instead of 12 times, a second class seat is used 180 times, and a third class seat is used 400 times. This fact clearly shows without the slightest doubt that either we have a smaller number of third class seats or we are

[Mr. N. M. Joshi.]

overstocked with first and second class seats. A first class seat is not used more than 60 days in a year,—it is not used for 365 days, but only for 60 days in a year, and that too, at the rate of 35 miles per day. This fact clearly shows one thing that the Government of India pay greater attention to the higher class traffic than they should pay to third class traffic, and I ask the Government of India not to do this, not merely on humanitarian grounds, although they are good, but on commercial and business grounds. Now, what do the Government of India get from each third class seat, each second class seat and from each first class seat? I shall give the result presently. The Government of India get Rs. 208 per first class seat. There is no mystery about it. They get from each second class seat Rs. 236, and from each third class seat they get Rs. 241. This is the average for the year. It is true that an individual first class passenger pays more, but there is absolutely no doubt that the Government of India get less on the whole from a first class seat than they get from a third class seat. A first class passenger pays only Rs. 208 per seat, while the third class passenger pays Rs. 241 for the third class for the accommodation which the Government of India provide. I shall go into one more commercial fact

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Are Government officials included in the first class seats?

Mr. N. M. Joshi: Yes. Now, what does a first class seat cost? The Government of India have got bogies . . .

Diwan Bahadur A. Ramaswami Mudaliar: They have got many bogies

Mr. N. M. Joshi: A bogie of 12 first and 18 second class seats costs about Rs. 50,000 and 114 third class seats cost Rs. 30,000. So one first class seat and 1½ second class seat will cost the Government of India about Rs. 4,000. Now, the money made out of one first class seat and 1½ second class seat is 562. The Government of India make Rs. 562 by investing Rs. 4,000, while, by investing Rs. 260 on a third class seat, they make Rs. 241. Now, one fact is clear that it is a good proposition to increase the number of third class seats and reduce the number of first class seats. I do not wish to go any more into these figures.

Mr. President, after having gone through these figures and considered them carefully, what I feel is that if the Government of India are really bent upon making the railways a commercial concern, they must pay greater attention to that part of their customers which pays them the best. Unfortunately, we find that they give greater attention to those people who really do not deserve attention. Whatever attention you may pay them, it will not pay you at all. My own view is that, in this poor country of ours, there is no need for a first class. First class will never pay, whatever comforts you may give the first class passengers. The number of people who can travel first class in India is very small indeed. Let us see who will travel first class in India. I generally estimate that people whose monthly income is more than Rs. 1,000 may travel first class, I do not say that all of them will. How many people are there in India whose annual income is more than Rs. 12,000? Let us go into the

income-tax figures, and we will find that there are not more than 25,000 people in this country whose income is more than Rs. 12,000 a year. Take the agriculturists who have got large incomes of, say, Rs. 10,000. Their total number will not be more than 5,000 in the whole of India—people who can afford to travel first class. My estimate is that, in the whole of India, the number of people who can travel first class is not more than 30,000 or 40,000. It is for these 30,000 to 40,000 people that we are providing 40,000 seats. How are these 40,000 people going to give you much traffic whatever attention you may give to them? My feeling is that, if the Government of India are bent on making the railways a commercial proposition, they should abolish first class. That is the best remedy, because first class in India will never pay. If first class is to be maintained at all, it must be maintained out of the money which is given by the third class passengers. I, therefore, think that on the whole Government should give greater attention to that traffic which is likely to pay, that is what the commercial people do, that is what our industrialists have done. Take, for instance, the cotton textile industry. What sort of custom do they cater for? They cater for the masses in this country, because they know that it is the masses that will purchase their goods and not the small number of aristocrats in this country. There is one more point to be remembered in the matter of the first class, and that is, who is maintaining the first class? Not the private people generally. I can say that, out of the 40,000 people who can travel in first class in India, nearly half of them are paid by the Government themselves. The first class is maintained by people who are paid by the Government. What is the use of Government taking away money from one Department, that is, the Finance Department, and paying it into the other Department, namely, the Railway Department? I, therefore, feel that the time has come when the Honourable Member in charge of the Department and the Members of the Legislature themselves should pay serious attention to the question of reorganising our passenger traffic system. They should make an examination and see what traffic in India will pay, what traffic will not pay, and they should give their attention to that traffic which is likely to pay.

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official): Won't you suggest a Committee, to travel the whole of India, of the Members of the Legislature?

Mr. N. M. Joshi: I will seriously propose to the Government of India that the problem is so important and so urgent that they should certainly appoint a Committee to investigate this matter. I have been speaking on this subject for many years. It is a misfortune that it does not receive the attention that it deserves, either from the Government or even from this Legislature. I do not blame anybody. I feel that the Government of India consist of people who make use of the first class, who get the benefit of travel by first class, at least to some extent at some cost, of the third class passengers. We who form the Legislature are also those who get some benefit by travelling first class at the expense of the third class passengers, and it is, therefore, quite natural that we should neglect that problem. I shall give you a small instance.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Mr. N. M. Joshi: I shall not, therefore, give you any instance, but what I shall do is this. I shall certainly urge upon the Government the appointment of a Committee to go seriously into this matter and find out what traffic will pay them and what traffic will not pay. If they find that the first class and second class traffic does not pay, let them abolish that traffic, there is no harm in it. Let them, as good commercial men, pay attention to that traffic which will pay, and I have no doubt that if the Government of India are good business men, they will canvass third class traffic by giving them greater comforts, by doing them mere justice, they will make the railways successful. Mr. President, I have done.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, I thank you for giving me an opportunity to speak soon after Mr. Joshi's able speech. He has given us a treat this morning which we should all remember. It is such figures that stagger the minds of mere politicians, that show with what force the cause of third class passengers can be pleaded if one has got the mind to do it. I hope that the Honourable the Railway Member will give very serious attention to what has fallen from the lips of my Honourable friend, Mr. Joshi, in this connection.

There are quite a big catalogue of grievances of the third class passengers but I am not going to deal with them. I shall only speak on one very important matter today, and I hope that the Honourable Member will seriously consider it, I mean, the running of trains between Lahore and Howrah and Delhi and Howrah. Before October last, the trains used to run between Delhi and Calcutta and Lahore and Calcutta in a manner which gave satisfaction to people generally. But when the talk went on that there was going to be made some alteration in the running of trains between Delhi and Calcutta, I remember very serious agitation took place in the capital of Bihar. The Bihar Chamber of Commerce came out with a very strong protest in this connection. They did not like that the fast train between Delhi and Calcutta should be diverted through the Grand Chord *via* Gaya which comparatively is not so important to Bihar as the main line is. Thereafter, we found public meetings being held in order to protest against any diversion of the train. The Muslim Chamber of Commerce came out with a resolution on the subject soon after that. So, practically all bodies in Bihar protested against the diversion, but the result was that it was not listened to, and now what we find is this. Two fast trains from Lahore run up to Calcutta and two fast trains from Delhi run up to Calcutta every day. Both the fast trains from Lahore to Calcutta run *via* the main line, that is, *via* Patna, the capital of Bihar, while the two fast trains from Delhi to Calcutta go *via* Grand Chord through Gaya. I do not know what wisdom there is in running the fast trains *via* the same route. It would have been easy to provide that one of the fast trains from Lahore to Calcutta should go *via* the main line and the other fast train *via* the Grand Chord, and similarly in the case of the two fast trains from Delhi to Calcutta. It was a very simple suggestion. I think some other influences were working behind the change proposed that this simple request of the people of Bihar was not attended to. Even here, when the Assembly sat, we tried to bring it to the notice of the higher authorities in Delhi, but we were not listened to. I had written a letter to the Chief Operating Officer at Calcutta, pointing out the difficulties of the third class passengers going from Delhi to Patna, but in reply he ignored the very ground on which I wrote my letter. He said that facilities had been provided for higher class passengers, because there was a bogie attached at

Patna which ran up to Delhi and from Delhi to Patna in the other direction, and that that was quite enough for those who travelled in the higher class, while I had pleaded the cause of the lower class passengers, and there was no reply to that. It appears that there is determined opposition to looking to the interests of third class passengers even when pressure is brought to bear upon the E. I. R. authorities. That is my grievance and I hope that my views, which have been expressed here, will not go in vain. I hope that the Honourable Member—and there are so many others also who are looking into these affairs—would consider this question very seriously and see that the third class passengers are not put to trouble.

The Honourable Member may know that fast trains run between Delhi and Patna in only 16 or 17 hours, while the other trains take no less than 21 hours. Now, mark the difference of time if one takes the other trains. I hope that this matter will be seriously considered by the authorities and that no time will be lost in diverting Nos. 7 and 8 Express trains, which are generally known, on account of their speed, as *Tufan Mails*, to Calcutta via the main line, through the capital of Bihar, I mean Patna, and divert the other fast train from Lahore which goes via the main line to the chord line through Gaya. That will serve the purpose of the railway authorities.

There is one other suggestion I should like to make on that account. If the Railway Authorities give third class bogies in the Calcutta-Delhi Mail trains, the third class passengers get the advantage of having fast trains from Calcutta to Delhi on that Mail, but the other Mail, which runs from Calcutta to Lahore via the main line has not got that advantage, I do not know why should that train not offer the same advantage which the Calcutta-Delhi Mail has got. Some third class bogies might be attached to the Calcutta-Lahore Mail, so that the same advantage may be gained by the people travelling via Patna. There should be no more trouble in that too if it is possible to attach third class bogies to the Calcutta-Delhi Mail. There is no reason why the same convenience should not be given to the lowest class passengers on the Lahore and Calcutta Mails.

Besides this, I have got one more point to add. It is in regard to the B. N. W. Railway. On that railway, we find third class passengers are generally treated as cattle even now. I was very much surprised to hear our friend, Diwan Bahadur Mudaliar, saying that overcrowding was not an abnormal feature of the railways in India. It appears that he has been in a part of the country where people are treated like human beings. On the B. N. W. Railway, even now I find that people have got to remain catching the handle of the trains while travelling. That is the sort of thing that is going on even now. So few trains run between certain stations, although the traffic is very large. Complaints into this matter are not looked into by the Agent of the B. N. W. Railway. I have complained about this to the Advisory Committees, but they plead helplessness. Their advice is not listened to by the authorities.

Again, what do I find at Sonapur, a very important station, on the B. N. W. Railway? The stall keepers are at the mercy of some of the contractors. I know of a Pathan stall keeper who used to supply us with tea and some small refreshments. He has been shoved aside, simply because he refused to pay very exorbitant rates by the contractors. I asked him what was the rate that was charged, and he said that he was asked to pay five times more than he was paying before. I do not know how such a large sum could be demanded from a stall keeper in order that he might provide good tea and small refreshments to the people on the platform. That state of things is simply surprising to us. These hawkers on the

[Maulvi Muhammad Shafee Daoodi.] |

platform are meant for the convenience of the public. They are not meant to be squeezed by the contractors who are in the good books of the railway authorities. That practice should be abandoned at once. I hope that the authorities would try to see that the stall keepers on the B. N. W. Railway, so far as I know anything of that railway, are not squeezed in the manner in which they are being done at the Sonepur Railway Station.

These are the points to which I want to draw the attention of the Honourable the Railway Member. I have confined myself to these points, so that attention may be drawn to them.

Mr. F. E. James (Madras: European): I should like to say a few words on this motion. I would like, in the first place, to remind Mr. Joshi that in recent years there has been considerable improvement over most of the railways in the rolling stock available. Any one, who has travelled within the last ten years, cannot but realise the fact that improvements have taken place in the rolling stock relating to all classes of railway travelling. At the same time, I do recognise the great force in his plea for continued improvement, particularly in the lower class accommodation. I should not be expected, of course, to go as far as he did and suggest that the upper class accommodation should be abolished.

Mr. N. M. Joshi: I did not say it should be abolished. I said "If it does not pay its way".

Mr. F. E. James: I think it would be a mistake on commercial grounds to cut out any form of traffic at the present moment. I think there is a very strong case for the most drastic measures in regard to cutting out obsolete rolling stock. Today is a time when this can be done probably more cheaply than at any other time. In my recent travels about the country, I have seen lower class compartments which are really a disgrace to any Railway Administration. I won't specify the railways, but I am quite prepared to give the information to my Honourable friend, the Commerce Member, and it seems to me there is a very strong case for much more drastic action in regard to cutting out a great deal of that which now exists in favour of improved and better and new accommodation and, as far as that plea is concerned, I would certainly join my friend, Mr. Joshi, in urging that the Railway Board should give increased attention to that matter in the near future. I think it is the experience of those who travel extensively, that in recent years the number of Indian passengers using intermediate and second class accommodation shows a very great tendency to increase, and I would enter a very strong plea for an increase in the accommodation of most trains which are likely to be used by middle class Indian passengers. I have not made the exhaustive study of the figures which Mr. Joshi has made. I am merely speaking from my own personal experience as one who has travelled a great deal throughout India during recent years, and I do know that nowadays on many of the important trains in the country second class accommodation is over-crowded with Indian passengers. I think it is a mistake not to recognize that, with the increase in the standard of living, with the increase in the tendency of the Indian public to travel, there is, naturally, a desire for better class accommodation, and that desire has constantly and to a very large extent, as far as my experience goes, been for more intermediate and particularly second class accommodation. I think that is a matter which might be given special attention to by the Railway Board.

There is one small matter which I should like to mention, and that is the question of servants' accommodation on some of the Company-owned railways. I have had recently bitter experience of that. I am aware that the matter has been largely attended to as far as the State railways are concerned, and I believe also that some of the Company-owned railways are now careful to provide adequate servants' accommodation for upper class passengers; but there are Companies, particularly in the South of India, where there is practically no accommodation provided even on important mail trains for servants. I speak from personal experience. On two successive journeys which I recently took on mail trains, although the number of upper class passengers was considerable—I think in one case there were about 17 or 18 passengers (with servants) in the upper class compartments,—there was not a single servants' compartment, and it was only on representations made at the station itself that I was able to secure accommodation for my servant and the servants of some of my colleagues who were also travelling on the same train. I suggest that it should be compulsory that, where upper class accommodation is provided, servants' accommodation should also be provided in the same train.

Sir, there is one general observation I should like to make. I am not sure whether it should come in here or it should come up later when we discuss the general question of road-rail competition, but it really relates to a suggestion made by my Honourable friend, Mr. Joshi. He seemed to think that the appointment of a Committee might focus the attention of the authorities on the desirability of increasing the amenities of a certain class of travel. I have no faith in committees, particularly in regard to this matter, but what I do suggest—it may have been under consideration, I do not know—is that a leaf should be taken out of the book of the English railways, who, in the last three or four years, have devoted considerable attention to what I may call the "marketing of the commodity of travel". We are having marketing schemes in regard to various commodities: travel is a commodity in the sense of every other commodity, in that it is a thing which you want to sell on an increasing scale.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): They do it better here than they do it in England, because they push them all into goods wagons here!

Mr. F. E. James: My Honourable friend has misunderstood what I am saying—for which he is, of course, not to blame. My point is that there should be some method whereby an attempt should be made to push travel among the classes of Indians who take particularly the third class accommodation. That can only be done if the amenities are increased. It can only be done if there is some attempt to deal with overcrowding, which takes place to a most distressing extent on many of the important trains; and it can only be done if, in the attempt to sell this form of travel, attention is paid to the rival salesman who is selling his travel most successfully in buses. Now, it is the well-known experience of everybody in this House that if you travel by bus, you find that not only you are treated with the greatest respect, but you are put down at places where sometimes you ought not to be put down, the buses stop for your convenience, and whenever you go to a stopping place in a village or in a town or a square, immediately both the driver and the conductor join in a magnificent advertising campaign, inviting people to travel on their buses and very often offering the most alluring inducements. I do not, of course, want the railways really to follow them in exactly the same way. But here you have a form of travel which believes in pushing its own way among the people who form the

[Mr. F. E. James.]

bulk of the passengers. My friend Mr. Joshi, suggests that a Committee is required. I would rather put it that "salesmen" are required to go into the whole question of lower class accommodation—its appeal to the people, the travelling capacity of various districts, the question of special rates and concessions, and in fact the whole field of marketing. If an experiment were tried in that connection on one railway, if a suitable person could be found to make an inquiry along those lines, it might be of very great value to the railways generally. Of course the kind of selling by advertisement is not the kind which I saw in the cinema last night. I was watching the advertisements with interest. I suddenly saw an advertisement to the effect that as from the 1st April—I think it was—the old enhanced fares will come into force on the Kalka-Simla line. It occurred to me that that was a very inappropriate announcement in view of the references to that line which were made two or three days ago. The railways have got to meet increasing competition and they can only meet that competition successfully by offering wares that are at least as attractive as the wares which are offered by the other forms of transport.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I approach this question first from the point of view of policy. It appears to me that the issue involved in this cut is a most important one for which the Railway Board should be responsible. Sir, every year we are raising the same points that have now been raised or will be raised, and the question is—why is it that they are not being attended to, or why amenities on the railways are not being improved upon, and why is it that conveniences are not going to be increased? The reply I find is only of the type that we get every day in the House, namely, when these cuts are discussed in the House and debated upon, the speeches are merely transmitted to the Agents and the Agents do what they like without any responsibility. When we come again to raise the same question, the reply is that it is the responsibility of the Agent, with which the Railway Board has nothing to do. Sir, if this is the procedure by which the Railway Board want to increase these amenities, I do not think it redounds any credit on them. Sir, it is the responsibility of the Railway Board to call for reports in detail on those points which are placed before them at a time as this. In the answers to questions from day to day we are simply told, for instance: "We cannot interfere, there is no appeal, or, if there is an appeal to the Agent, we cannot do anything more." Sir, while we are putting all these points before the Railway Department at the time of this Budget, it is their duty to take note of them, and unless the Agents are asked to make a report on each and every point raised in this House, there will be no improvement worth the name in the required amenities.

Now, coming to the question of inconveniences, the first point I would make is that there are not many direct trains. If you have direct trains, then the question of competition with motor buses will also be solved. Let me ask if there is a direct train between important places like Karachi on the one side and Delhi on the other. There is none. People have to go via Lahore, to have many transshipments, and then reach late. Is it not necessary that a train of that nature should run between the capital city of Delhi and the most important port, Karachi? Now, that question has been raised often here, but with what result? No result at all. I am in possession of certain facts given to me by some members

of the Local Advisory Committee at Karachi that they and the commercial communities of Karachi had asked for a direct train and had also shown the necessity for it between Delhi and Karachi. Yet the train has not been introduced on that line. What we find is this that, in order to make a show, the Agent was enacting his own machinations. He put a direct composite carriage from Karachi to Delhi to be run only during the Christmas time. That is only adding insult to injury. Then, what did they do subsequently? I find that now there is a compartment going from Delhi up to Samasatta only, and it consists of intermediate and third class only. I do not object to the classes, but why not take that compartment right up to Karachi? Why should there be this transshipment at Samasatta? Further on, even this compartment, which is now being run, is threatened to be stopped. Is not this, Sir, playing with us? Now, as I was coming from Sind, I found that at Samasatta they were taking the census of persons who were travelling by the intermediate class. There may be a few passengers who go direct from here to Karachi, but on the way we see that that compartment becomes full with intermediate class passengers getting in from intermediate stations. The same is the case with third class passengers. Now, if, on the basis of this census, they stop that convenience also, it will be wholly unjustifiable. Sir, unless the Railway Board are going to introduce direct trains and afford greater facilities to the travelling public, the Board should not exist. I submit that the Railway Board would be doing yeoman service to the country if they look into these points themselves and not that when they are brought to their notice they should only pass them on to the Agents. We know how these Agents do their business. Because of the duplication of work and other difficulties, they leave these matters to smaller clerks, who generally make time-tables, etc.

The second point is that trains should run swifter. I would give an instance of that too. It was an idea that the Karachi Mail from Karachi to Lahore should run swifter so that passengers might not be inconvenienced and they might take lesser time. What they did was that between Lodhran and Khaneval they built a chord which cost them 30 lakhs of rupees. For several years the Mail train was run by that shorter cut, thus saving an hour and a half. But since lately the chord line has been abandoned more or less for Mail and Express trains, and only very slow trains are running *via* the Chord. Now, why is this done? I came to know from a member of the Advisory Committee that the Mail and Express trains have stopped running by that Chord, because the officers do not want to travel by that route, owing to its dusty condition. Is this the proper reason to take away the Mail train from the shorter route and lose all the money that they spent on the Chord line? These things should be considered properly.

I next come to the convenience of the third and intermediate class passengers. Sir, the Agent who travels in his saloon sees nothing and thinks that matters are getting on all right. But if Members of the Railway Board were to look into the condition of travel of third and intermediate class passengers, they will find out the defects. This time I came *via* Samasatta, and I went to see the toilet room in the intermediate class. There I found a hole, something like the Black Hole. Its length was three feet or so and the width was about two feet. They have put up a looking glass there in that rickety carriage and also a commode, but there was hardly any space to stand. Sir, this is the convenience which they have provided in the intermediate class. The same

[Mr. Lalchand Navalrai.]

is the case with the closets of third class passengers. There is not space enough even to stand. These are the points which should be looked into by the Railway Board. Then, in the third and intermediate class toilet rooms there are no lights, absolutely no lights. Then, again, there are no fans in the third and intermediate class carriages. We are told from time to time every year that there will be fans, but they have not yet been introduced. The fare of the intermediate class has been increased, but the fans have not yet been provided for in those carriages.

Then, with regard to waiting rooms for intermediate class passengers. I do not grudge the waiting rooms for passengers who travel by higher classes and I do not agree with my Honourable friend, Mr. Joshi, that the first class carriages should be done away with. But the convenience of all the passengers should be equally met with. The third and intermediate class passengers, being in the majority, should be given more convenience. For a very very long time there has been the demand that there ought to be waiting rooms for intermediate class passengers. Has that demand been put into execution? Only at one or two stations we find intermediate class waiting rooms, but they are intended only for ladies. The ladies go to these waiting rooms, but the gentlemen have to walk about on the platforms. But in the case of the first and second class passengers, there are waiting rooms, both for ladies and gentlemen. My point is this that these inconveniences have been felt for a long time and they must be remedied. Here is my learned friend on my side who points out to me that there are fans even in the first class latrines. Now, Sir, is that a necessity? But the point is that if the policy of the Railway Board is changed, then the Agents will also learn a lesson. But if you are just going to leave everything to them, they become bad boys. Sir, if we ask the Divisional Officer to do a certain thing, he refers to the Agent. The Agent gives him orders just in the manner he is dictated to in his own headquarters. He is, therefore, not in a position to realise the local conditions, and so I agree with the suggestion that was made that the Central Local Advisory Committees should be taken into confidence on these questions. Coming to the point of the Local Advisory Committees, what powers have you given to them? They make only suggestions, the Agents receive them by one ear and let them off through the other.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Mr. Lalchand Navalrai: I will conclude presently. I submit that there are many inconveniences to the intermediate and third class passengers, and it is the duty of the Railway Board to look into them. I, therefore, hope that, next time, unless the ill-constituted Statutory Board comes in and even the little power that we have got of ventilating our grievances is gone, it will not be necessary to discuss the same grievances now pointed out.

The Honourable Sir Joseph Bhoré: Sir, I must begin by thanking my Honourable friend, the Mover of this motion, for his very fair criticism and, above all, for the constructive suggestions which he has made. I can assure him that the Railway Department welcome and are always grateful for such suggestions, for, I believe that we are both working to

the same end and nothing is to be gained on the one side by carping criticism, or, on the other side, by treating fair criticism as if it deserved no attention whatsoever. I do not believe that there is any very great difference between most Honourable Members opposite and ourselves so far as theory and principle are concerned, but the real question is, how far we can actually go in practice. Honourable Members are aware that we have inherited a system from the old days and it is impossible to make a radical alteration in a year or two. Alteration can only come gradually and what I would like to impress upon the House this morning is that we have never stood still, there has been a steady improvement from year to year, and I hope I will be able to show by reference to figures that that claim is fully justified. The first point that I would ask the House to bear in mind is this, that there must be some relation between the fare that is charged and the amenities and the conveniences that are provided.

Mr. N. M. Joshi: By all means.

The Honourable Sir Joseph Bhoré: I should be glad if the House would bear with me and listen to certain information which I have just had handed to me. It is a statement compiled from the Railway Statistics of the United States of America for 1930. The figures represent average fares, but I think this will give the House some idea as to comparative fares here and elsewhere in the world. These charges are shown in American cents. In Norway, the charge is 3.04 cents per mile, per passenger; the Canadian railways 2.756; Argentine 2.31; Great Britain 1.46; France .75; China 1.80; Italy 1.61; Germany 1.154; Japan .93 and India .61. There are only two countries in this list, namely, Czechoslovakia and Belgium where the charge is less, namely, .58 and .59, respectively. I do hope that Honourable Members will realise that we have constantly to decide between the conflicting claims of lower third class fares and the provision of extra amenities. But Honourable Members will, I hope, also realise that there has been steady progress from year to year in this matter. Take, for instance, the question of rolling stock and seating accommodation for third class passengers. I would point out that while I frankly admit that in regard to the older stock, complaints are fully justified, definite steps are being taken to improve third class rolling stock. All the new stock is mounted on standard under-frames, and the result is that there is practically no difference whatsoever in riding between lower class and high class stock. The under-frame is exactly the same in first class bogies as in third class bogies. That, I think, Honourable Members will admit, is a step in the right direction. Then there is another point. In the old stock, provision was made in a single vehicle for 132 passengers and two latrines. In the new stock, there is provision for four compartments with 114 passengers only and five latrines. I shall be happy if I can get the opportunity to show to Members of the Central Advisory Committee, who may be interested in the matter, the new stock, so that they can satisfy themselves that there has been some definite progress in the plan and construction of the new bogies for third class passengers.

Then, Sir, take the question of accommodation provided for individual passengers. We provide something like 19½ inches for each passenger and that compares with just under 20 inches provided for third class passengers on the railways of the United Kingdom. I think Honourable Members will admit that the comparison is by no means to our discredit.

[Sir Joseph Bhore.]

When we come to the question of over-crowding, we are, of course, dealing with a very difficult matter indeed. So far as the space provided is concerned, I do not think there can be any legitimate ground of complaint. It happens that passengers, for their own reasons, often desire to travel by a certain train and in very many instances in a certain compartment. The question is whether it is doing a kindness to these people to keep them back for a later train or permit them to undertake the journey under conditions of a certain degree of discomfort. Honourable Members will realise that it is not always possible to add additional carriages especially where a train is loaded to full capacity, nor is it always possible to duplicate trains, because there may not in all circumstances be sufficient passengers to fill the additional train. I hope that Honourable Members will be satisfied that in this matter of over-crowding, we are doing what we can. We are taking a periodical census to ascertain whether there is habitual over-crowding, and I can assure the House that the figures that we have received do not support the suggestion that over-crowding is a normal feature of third class travel on Indian railways. My Honourable friend, Mr. Mudaliar, quite rightly pointed out that over-crowding was not peculiar to the Indian railways. That, however, I frankly admit, is no argument why we should not attempt to improve matters if they are really found to call for improvement. (Applause.)

Then, Sir, the question of civility to passengers has been raised. I can assure my Honourable friends in this House that the most stringent orders have been issued from here in relation to that matter. I have every reason to believe that complaints of incivility are less than they used to be, and, I am sure, that conditions in this particular direction will continue to improve. We have also advised railway administrations to see that special care is taken to select Enquiry Clerks and we have suggested that they should be men who are imbued with a spirit of social service.

My Honourable friend, Diwan Bahadur Mudaliar, made a very valuable suggestion in regard to affording aid, specially to ignorant third class passengers. May I inform the House that we actually already do have at certain important stations guides whose duty it is to assist and advise passengers, mainly third class passengers? Unfortunately, Sir, the state of our finances has not enabled us to increase their number, but the matter will be borne in mind, and I can assure the Honourable Member that, if more can be done in this direction, we shall certainly endeavour to do so.

My Honourable friend, Mr. Navalrai, offered a panacea for bus competition with the railways. He said that if we had direct through communication between Karachi and Delhi, the question of bus competition would be solved. I am quite well aware of the fact that unfortunately there is no direct communication between Karachi and Delhi, but I was not aware of the fact that there was direct bus connection between Karachi and Delhi.

Sir, I think that a statement of what we really have done in regard to matters which are of vital interest, so far as third class passengers are concerned, over a period of years, will help to emphasise the statement that I made at the beginning of my speech that we really are endeavouring to do what we can to secure improvements. Honourable Members will realise that in the last five or six years we have necessarily

been hampered by the limited funds at our disposal, and the expenditure on these objects has, therefore, had to be cut down. Nevertheless, I think the figures that I shall give to the House will assure them that the matter is being steadily pursued and is being prominently kept before our eyes. During the last nine years we spent on improving the water supply at various stations, 42 lakhs; on providing waiting rooms and halls, 82 lakhs,

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): For which class of passenger?

The Honourable Sir Joseph Bhore: For all classes of passengers. My Honourable friend must surely know that first class passengers do not as a rule go and take water from the taps provided at the railway stations.

Sir Cowasji Jehangir: No, I refer to waiting rooms.

The Honourable Sir Joseph Bhore: I beg your pardon. Waiting rooms were mainly for third class passengers. Then, for Indian refreshment rooms, 25 lakhs, latrines and sanitary arrangements, 21 lakhs; raised platforms,—and I am sure this will be of interest to my friend, Mr. Gopika Romon Roy, from Assam,—45 lakhs. In the total, we have spent something like 242 lakhs on these items which are all directed towards improving conveniences and amenities. And I may also bring to the notice of the House that we have provided in the coming Budget, despite the fact that we are facing another deficit, a sum of something like 38 lakhs to be spent on improving amenities for passengers, mostly third class passengers. I think a sum of something like 25 lakhs is to be spent on improving rolling stock and providing suitable third class vehicles.

I hope, Sir, that I have said sufficient to satisfy Honourable Members that we are endeavouring to do what we possibly can in this matter. As I said, I think their object and ours is the same, to secure as much popularity as we can for the Indian railways and to make conditions,—and I include, of course, conditions for third class passengers,—as comfortable as we possibly can. We on our side welcome practical suggestions from all quarters, and I can assure this House that while it is not possible for me to refer to every suggestion that has been made in the course of the debate, every suggestion will subsequently be carefully examined in the Railway Board's office. I hope, Sir, that, in view of what I have said, my Honourable friend will not press his motion.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, as I said at the very beginning of this debate, I have no intention of pressing this to a division as I do not look upon this as a censure motion. I had only intended to bring prominently to the notice of the Honourable Member and the Railway Board certain specific suggestions to improve the travelling facilities and amenities to the public, and specially the third class passengers. I had a feeling that my Honourable friend, Mr. Joshi, thought that in the course of my speech I suggested that over-crowding for all classes of passengers was not an evil and that it should not be mitigated. I did nothing of the kind. I only suggested that over-crowding was not a peculiar feature of the Indian railways and that over-crowding existed even with reference to higher class passengers in Continental railways. At the

[Diwan Bahadur A. Ramaswami Mudaliar.]

same time, if I remember aright, I wound up by suggesting that more accommodation may be provided for third class passengers, so that some of the worst features of overcrowding may be mitigated in their case.

Sir, I am thankful to the Honourable the Railway Member for the sympathetic reply that he has given, and I say that not in an ordinary sense of formal courtesy extended to him, but as I am firmly convinced that he does mean to treat the whole question sympathetically. If the House will permit me, I should like to withdraw my motion.

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

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair has been informed that the Centre Party do not wish to move a cut motion of their own, but that the discussion on the Statutory Railway Authority might be carried over. So the discussion on the Statutory Railway Board will commence now and we shall continue it over tomorrow till the luncheon interval.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): May I make a suggestion, Sir, that in view of the extreme importance of the subject, that you will be pleased to relax the time limit on occasions, having regard also to the fact that we have got more time at our disposal?

Raja Bahadur G. Krishnamachariar: And one more hour after lunch, Sir; you were kind enough to tell us that you would also give us time till 12 Noon tomorrow.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair will close the discussion at 3-15 tomorrow afternoon.

Raja Bahadur G. Krishnamachariar: And will you also kindly enlarge the time limit?

Mr. President (The Honourable Sir Shanmukham Chetty): Of course the mere fact that the subject is very important would mean that a great many Members would like to take part, and, therefore, Honourable Members should impose a time limit upon themselves; but in very exceptional cases the Chair will relax the limit.

Statutory Railway Board.

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muhammadan): Sir, I beg to move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."—
Statutory Railway Board.

I have put down this motion with the object of discussing the policy underlying the proposed creation of the Statutory Railway Authority. In discussing this question, I am anxious to secure a dispassionate consideration without the importation of heat or other extraneous matters into the debate. I will proceed straight to give very briefly the history of how this proposal came before the public view.

We find that the Federal Structure Committee in para. 9 of their report have made the following recommendation:

"In this connection the sub-committee take note of the proposal that a Statutory Railway Authority should be established and are of opinion that this should be done if after expert examination this course seems desirable."

This little paragraph has been pitchforked into the report without a full discussion in that Committee and without the consent of all the members. I am in a position to prove my statement when I refer to certain members of that Committee who made strong protests against the way in which this proposal was embodied in that report. I find that Mr. Jinnah, when the draft report of the sub-committee was under discussion, said as follows:

"I do not think that that subject was at all discussed, and yet I find it is in the report."

Then the Lord Chancellor, who presided, said:

"The subject was discussed: His Highness of Bikaner made a great number of remarks about it on one occasion and discussed the Statutory Board and gave a long account of his own railways."

To this, Mr. Jinnah said:

"We definitely make a recommendation here and I doubt whether we discussed whether such a recommendation should be made."

Then the Chairman said:

"Very well, I will make a note of that."

This point was again taken up by the Rt. Honourable Mr. Sastri who said as follows:

"I agree with Mr. Jinnah as to the proposition he laid down with regard to the proposal made here upon the subject of railways. When we constituted a Railway Finance Committee and it was proposed to separate it from the general finances of the Government of India, it was distinctly understood that it was not to be regarded as a derogation from the powers of the Legislative Assembly, and I think it was very necessary to safeguard the rights of the Legislative Assembly even upon railway administration, and I should think it a wrong provision to make that a Statutory Authority should be established."

Mr. Jayakar also joined in this protest with these words. He said:

"I am opposed to giving a statutory basis to the Railway Board or any more recognition than it has at the present moment. I want freedom to be left to the future Minister of Railways to adjust the constitution, the powers and the affairs of the Railway Board in any way which he likes and which he thinks is suited to the requirements, and the growing requirements, of self-government in India."

Then Sardar Ujjal Singh said as follows:

"I feel that question was not discussed in detail in the sub-committee, and I was rather astonished to find it given such great prominence in the Report. I do not exactly remember, but I think it was probably mentioned by His Highness of Bikaner or some other speaker that a statutory authority ought to be established so far as Railway administration is concerned."

[Mr. Gaya Prasad Singh.]

Then, what happened? His Highness the Maharaja of Bikaner, who was present on the occasion, said:

"I never used the words 'Statutory Authority': I referred to the Railway Board exercising the functions it does now."

So, the very foundation on which this recommendation was based falls to the ground. I do not know on what basis this Committee, which was established in London, was constituted. However, as the Committee was constituted and it made its report, it is necessary for us to find out how far the recommendations of the Committee meet with popular demands.

People of this country have invested over 800 crores of rupees in building the railways: they have a right through their representatives to see that this magnificent property of theirs, which they possess at such immense cost and expenditure, should be under their control and should perform its function properly. It has been stated—and I may refer the House to the memorandum of the Secretary of State in which he says:

"The constitution of this Railway Authority on a Statutory basis is to ensure that it is in a position to perform its duties upon business principles and without being subject to political interference."

This very plea was advanced in the case of the Reserve Bank. Now, if this House is competent to legislate on the question of the Reserve Bank, I fail to see why it should be deprived of the power of constituting the Statutory Railway Board or whatever other Authority might be substituted in place of the present Railway Board. As I find from the sketch proposals, this Railway Authority will consist of seven Members: the President of the Authority, who shall have a right of access to the Governor General, will be appointed from the Members by the Governor General at his discretion. I should like the House to note the words "Governor General at his discretion". The present procedure is, the President of the Railway Board, who corresponds to the Chief Commissioner, is appointed by the Governor General in Council, but, with the advent of the Federal Government, this power is going to be taken away from the Federal Government, which means the Minister in charge of Communications, and the Governor General is to be given the sole responsibility of appointing the President of the Railway Board . . .

Diwan Bahadur A. Ramaswami Mudaliar: May I explain, Sir, the President of the Railway Authority is quite a distinct person from the President of the Railway Board or the future Chief Commissioner, and the President of the Railway Authority is to be nominated by the Governor General at his discretion, but the President of the Railway Board or the Chief Commissioner is to be appointed by the Railway Authority subject to the approval of the Governor General.

Mr. Gaya Prasad Singh: I understand that with the establishment of the Statutory Railway Authority, the present Railway Board will cease to exist, and, therefore, the question of the present Railway Board does not arise at all. However, my only point is, so far as the remark of my friend, Diwan Bahadur Mudaliar, is concerned, why should the President of the Railway Authority be appointed by the Governor General at his discretion, and not by the whole Cabinet working together and coming to a decision? That is my comment on this part of the recommendation of the Committee.

Sir, this is not the only occasion on which the function of the Federal Government has been sought to be usurped by substituting the Governor General at his discretion, for the next recommendation runs as follows:

"Any Member of the Authority may be removed from office by the Governor General at his discretion if in his opinion after consultation with the Federal Government there is sufficient cause for such action."

I claim, Sir, that the power of appointing the Members of the Railway Authority and for dismissing the Members of the Authority should be vested in the Federal Government which ultimately means the Federal Legislature. Their emoluments also are to be fixed by the Governor General at his discretion after consultation with the Federal Government:

"At the head of the railway executive there will be a Chief Commissioner appointed by the Railway Authority subject to the confirmation of the Governor General."

Here also we find in this recommendation that the Governor General, and not the Governor General in Council, but the Governor General acting solely in his discretion will be the authority for the appointment of the Chief Commissioner:

"The Financial Commissioner will be appointed by the Governor General on the advice of the Federal Government."

In this connection I note that my friends, Mr. Joshi and Mr. Ranga Iyer, hold that "in his discretion after consultation with" should read "on the advice of the Federal Government".

Then, again, Sir, I find that provision will be made for the Statutory Railway Authority for safeguarding the existing rights of Companies working under contracts with the Secretary of State in Council, and, later on, I also find that even the authority of the Governor General in Council in connection with the administration of Company-managed railways is sought to be vested in the Secretary of State.

Now, Sir, I will refer to another recommendation of this Committee. It is contained in para. 7 of the Report. It says this:

"Revenue estimates will be submitted annually to the Federal Government which will in turn submit them to the Federal Legislature, but these estimates will not be subject to vote."

I would ask Honourable Members to ponder over this carefully. Even the little power which we exercise now in controlling the expenditure of the Railway Administration is sought to be taken away from us:

"If the revenue estimates disclose the need for a contribution from general revenues, a vote of the Legislature will, of course, be required."

Sir, we are spending about 90 to 100 crores annually over the Indian railways, and whatever control we have over the expenditure is sought to be taken away from us; but only in rare cases, when the general revenues will be called upon to bear a portion of the burden of the expenditure in connection with railway administration, then only that portion of the expenditure will be sought to be placed before this House.

Then, Sir, the next paragraph runs:

"The programme of capital expenditure will be submitted to the Federal Government for approval by the Federal Legislature."

This is another little thing that has been given to us as a sop. What is the ratio of capital expenditure in proportion to the whole expenditure on the railways? It is a very small fraction.

[Mr. Gaya Prasad Singh.]

The next recommendation made by this Committee runs as follows:

"The Railway Authority will be empowered, subject to the powers of the Governor General in the exercise of his special responsibilities, and subject to the safeguarding of the rights of all officers in the service at the time of the establishment of the Railway Authority, to regulate by rules or by general or special order the classification of posts in the railway services on State-worked lines in British India, and the methods of recruitment, qualifications for appointment to the service, conditions of service, pay and allowances, Provident Fund benefits, gratuities, discipline and conduct of those services, or to make to authorities subordinate to it such delegations as it thinks fit in regard to the creation of new appointments."

Sir, at one sweep we find that the Governor General, in the exercise of his special responsibilities, is going to be clothed with almost all the powers that are necessary to keep away everything connected with the railway administration from the purview of this House. Even the question of appointments, dismissal, leave, pension, pay, gratuities, and so on, even such little matters,—if I have read this portion of the recommendation correctly, is being taken away from the purview of the Federal Legislature:

"Any powers in regard to matters dealt with in this paragraph at present exercised by the Government of India over Company-managed Railways shall in future be exercised by the Railway Authority."

Whatever control the Government of India exercise at present over the affairs of the Company-managed railways will be taken away from the Federal Government and it will be solely exercised by the Railway Authority which will be independent of the Federal Government or the Federal Legislature.

In para. 10 of this Report, we find that a Commission will be appointed by the Governor General:

"to ascertain the views of all the interests concerned and to report, with recommendations, to the Federal Government, whose decision shall be final. The Commission shall consist of one independent expert of the highest standing and experience in transport matters, with whom will be associated, at the discretion of the Governor General, two or more assessors."

Now, in the composition of this Commission the Federal Government will have no controlling hand. It is the same old tale of the Governor General acting at his discretion.

These are some of the points, Sir, that occur to me in reviewing the report. I note, Sir, that very able men constituted this Committee, and amongst those, who represented this House, were Mr. N. N. Anklesaria, Mr. N. M. Joshi, Diwan Bahadur A. Ramaswami Mudaliar, Mr. C. S. Ranga Iyer, Sir Muhammad Yakub, Mr. Yamin Khan, and the last, but not the least, Dr. Ziauddin Ahmad. No, Sir, my friend, Dr. Ziauddin Ahmad, when he was here, and before he went on that important errand to London, made a speech on the 6th February, 1933, in which he stated:

"In the new Federal Assembly we may have a special Statutory Railway Board which will be responsible to the Indian Legislature."

I do not know how my Honourable friend forgot to bear in mind his views on the subject when he was here.

Mr. C. S. Ranga Iyer: If I may inform my Honourable friend,—the Honourable gentleman, Dr. Ziauddin, did not forget to bear in mind his quotation, but in fairness to him I must say that he sank his own personal opinion to support the collective wisdom of his own colleagues.

Mr. Gaya Prasad Singh: I am glad that my Honourable friend, Dr. Ziauddin, who is sitting here, has got a stalwart champion in my Honourable friend, Mr. Ranga Iyer. There is a saying in Hindustani *mudai sust, gawah chust*, which means that the plaintiff is unwilling to proceed, but his witness is very active.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): May I just say that my time has not yet come?

Mr. Gaya Prasad Singh: Then, my Honourable friend, Mr. Ranga Iyer, should have waited for giving my Honourable friend, Dr. Ziauddin, an opportunity of explaining his change of views. These are the proposals embodied in this report. There is a covering memorandum of the Secretary of State in Council; I need not refer to it more specifically beyond mentioning one or two points in connection with it. In paragraph 4 of this memorandum, it is stated:

"The Sketch Proposals refer specifically in paragraph 8 to the special responsibilities of the Governor General in so far as they may extend to the recruitment and service conditions of railway personnel."

Later on, it says:

"... where defence requirements may be concerned the authority of the Federal Government will reside in the Governor General by virtue of his special responsibility in respect of any matter affecting the administration of the Reserved Department of Defence."

In the concluding paragraph of this memorandum, it is stated:

"It would be necessary to preserve in the Constitution Act the existing rights which the Indian Railway Companies possess under contracts entered into with the Secretary of State in Council."

In the first place, I should like to know how this idea came to take the field, namely, that the Railway Authority should be constituted by an Act of Parliament and not by an Act enacted by this Legislature, I mean the Central Legislature. I am glad that my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, says that he never accepted this proposal of a Statutory Railway Authority independent of the Federal Government

Diwan Bahadur A. Ramaswami Mudaliar: May I explain that my Honourable friend is entirely misrepresenting his own point? He said just now that he was surprised to see how the idea came to occupy the field of a Statutory Railway Board being constituted by Parliamentary legislation instead of a legislation by this House. I said that so far as we were concerned, Members of this Legislature, who were on the London Committee, none of us accepted that position of Parliamentary legislation enacting a Statutory Railway Board.

Mr. Gaya Prasad Singh: I believe that the wording of the Federal Structure Committee, from which I have read out, refers to a point of time which is previous to the date on which this Committee was appointed. In the report of that Federal Structure Committee, there is mention of a Statutory Railway Board being appointed. These gentlemen, who formed the Committee, were appointed at a later date. I should like to know from my Honourable friend—I am speaking only to correct any misapprehension which may have arisen—whether in this report, which they have

[Mr. Gaya Prasad Singh.]

recorded, there is anything to show that they are opposed to the proposal of the Federal Structure Committee, namely, that the Statutory Railway Board should be enacted by an Act of Parliament and not by an Act of this Legislature.

Mr. C. S. Ranga Iyer: If I may tell my Honourable friend . . .

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. Interruptions are allowed only as a matter of personal explanation and not for the purpose of replying at every stage to the points raised by a speaker. When the Honourable Member gets his turn, he can reply to the points raised.

Mr. C. S. Ranga Iyer: If the Honourable Member gives way, I am perfectly entitled, Sir, especially when he puts a direct question and wants an answer and sits in his seat. I stood up after his sitting, and if I follow the proceedings of this House aright, when an Honourable Member sits down asking for an answer, it is a proper thing for another Honourable Member to stand up and reply, and I propose to exercise my right if you will permit me to do so.

Mr. President (The Honourable Sir Shanmukham Chetty): If the Honourable Member will refer to the Rules and Standing Orders, he will understand that interruptions are permitted only to give personal explanations and not otherwise. Of course, as a matter of courtesy, when an Honourable Member gives way, certainly the Chair has no objection to another Honourable Member getting up and giving information. But it is becoming a regular practice for Members, in the course of their speeches, to put a series of questions and various others getting up to answer the points raised. That will not conduce to the smooth working of the discussion at all.

Mr. C. S. Ranga Iyer: I want to submit to you that when I stood up, I first looked at the Honourable gentleman. He said "I want information on this subject", and then, as he sat down, I rose to answer him, not with a view to permanently interrupting him, but to enlighten the proceedings of this House, especially as we are working to time. This is an important motion and as we are working to time, he definitely wants to know, in order to enable him to proceed, whether there is a single line in that report to show on a matter of fundamental importance that we have opposed this British Parliamentary scheme of legislation. I was just going to say to him whether, if he has read the report, he can show me a line in which we have supported the British Parliamentary legislation, in which case I shall bow to him.

Mr. Gaya Prasad Singh: My Honourable friend has entirely misunderstood the point which I was making. It was out of courtesy to my Honourable friend that I gave way, and I am willing to give way if you will permit me in the exercise of your discretion in controlling the debate.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair does not propose to allow this discussion to take the form of a series of catechisms.

Mr. Gaya Prasad Singh: Quite so. What I was submitting was that this Committee was appointed at a time when they knew or they ought to have known, if they had exercised their discretion properly, that there was a proposal in the Federal Structure Committee's report wherein . . .

Mr. N. M. Joshi: Where is that mentioned?

Mr. Gaya Prasad Singh:

"In this connection the Sub-Committee take note of the proposal that a Statutory Railway Authority should be established, and are of opinion that this should be done if after expert examination this course seems desirable".

This is from the Report of the Federal Structure Committee.

Mr. N. M. Joshi: Where is Parliament mentioned?

Mr. Gaya Prasad Singh: I am quite willing to put a charitable construction upon the action of my friends. For the first time they knew of this proposal to establish this Railway Authority from the note indited by the Secretary of State for India. Some of my friends, who were on the Reserve Bank Committee, were hard put to it when they were confronted with certain inconvenient questions on the floor of this House, and my Honourable friends, Diwan Bahadur Mudaliar and Sir Cowasji Jehangir, were rising up in their seats every time in order to explain or explain away their conduct while in London.

Sir Cowasji Jehangir: To explain, not to explain away.

Mr. Gaya Prasad Singh: It is not for me to pursue this unpleasant matter any further.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Mr. Gaya Prasad Singh: My time was interrupted by the Honourable Member, Mr. Ranga Iyer. However, Sir, I am concluding my observations with this remark . . .

Mr. C. S. Ranga Iyer: It has been the practice of this House—and I draw specifically your attention to it,—for the Chair, especially when a time limit is put during the Budget discussion and when interruptions take place,—for the Chair to take notice of the length of the interruptions and add it to the time allotted to the speaker for the time being. I hope that you will have the kindness to give this concession to speakers, because, on a controversial motion of this kind, interruptions of a Parliamentary kind will be inevitable, otherwise the debate will be dull as ditchwater, but I do not want that a speaker should lose his time at all.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair has added ten minutes for that.

Mr. Gaya Prasad Singh: I am thankful to you, Sir. In fact, I was going to conclude my observations. I will conclude by saying that I am glad to have this disclaimer from my friends, Diwan Bahadur Mudaliar and Mr. Joshi, that they never agreed to any enactment being enacted by Parliament for the creation of this Statutory Railway Authority.

[Mr. Gaya Prasad Singh.]

I would submit is this, that this House should not be divested of its responsibility for creating the Authority, call it by the name of the Railway Board or the Statutory Railway Authority, or whatever be its name, which will control this huge property in which the rate payers of India have invested more than 800 crores of rupees and are vitally interested in seeing that this property is efficiently and well managed.

There are one or two things which appear to be at the back of the Government proposal. One is that a part of the investment in Indian railways is held by British investors and that they will not trust Indians. That is one suspicion which seems to be lurking behind the suggestion that the Federal Government or the Federal Legislature should have nothing to do with the creation or the administration of the proposed Railway Authority.

An Honourable Member: What is the proportion of British capital?

Mr. Gaya Prasad Singh: I do not know what the proportion is, but they have invested their capital and there seems to be a suspicion on the part of the Government lest the Federal Minister will not properly look to the interests of the British investors. Then, Sir, the railways are important from the military and strategic points of view and this might be one of the reasons why the little control, which we are exercising over the affairs of the Railway Administration in this country, is sought to be taken away from us. I do not want to take up any more time of the House, but I should like to enter my strong protest against any proposal which will give to the British Parliament the right of legislating for the creation of the Railway Authority in this country. Sir, I move my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, as one of the members who sat on this Committee, I think it is my duty to enlighten the House and to remove the misunderstanding that has been created by the speech of my Honourable friend, Mr. Gaya Prasad Singh. If the Honourable Member will read the report, he will find that there is no mention anywhere of any member of the Committee having agreed that this legislation should be taken up by the British Parliament and not by this House. We vehemently opposed the idea that any legislation should be taken up in England and not in India. I should like to give credit to my friend, Mr. Ranga Iyer. He opposed the idea on the very first day. We were all unanimous on that point. There were certain Members of the Legislature who were not members of the Committee, but who were sitting along with us, though they did not take part in the discussion, and they will bear testimony to the fact that none of us agreed even by implication that any legislation should be taken up in England. We, the members of that Committee, will unanimously deplore any action that the Government of India may take in order to accede to the request that this legislation should be taken up in England. The Reserve Bank Bill has already been through this House and we are all waiting to get the other Bill in respect of the Railway Authority before this House, and this must be brought up as soon as possible. If that Bill does not come before this House, we will think that the members of that Committee were

not properly treated by the Government and we do join fully in the sentiments expressed by my Honourable friend and others. We think that there would have been no justification for the Members of this House to go all the way to England to take part in the discussions of this Committee if the legislation was not to be brought up before this House. There would be no sense in sending members there as representatives of this House. We are very jealous of the privileges of this House. We stand on the same footing as other Honourable Members, and I am sure that Honourable Members on the Government Benches will be as jealous of the rights and privileges of this House as we are. Though officially their lips may be sealed, they will be as much jealous of their rights and privileges as any Honourable Member on this side of the House.

There is one thing which my friend will notice. This is the only Committee which reported unanimously, of all the Committees that sat outside India. This is the first instance in which Hindu and Muslim members were unanimous in arriving at a decision, and that Committee gave the lead to many others to follow. There was an accommodating spirit and we all came to an unanimous conclusion.

Sardar Sant Singh (West Punjab: Sikh): What was the bait given to the Muslim members?

Mr. Muhammad Yamin Khan: Bait given by whom? My friend is quite ignorant of that report, as he usually is. There was no bait given.

Sardar Sant Singh: Is it not a fact that two Mussalmans will be appointed on that Statutory Railway Authority? You ought to know it better than myself.

Mr. Muhammad Yamin Khan: My Honourable friend is mistaken if he thinks that this bait was given by an Englishman. This was the compromise arrived at between the Hindu and the Muslim members. This is the compromise that was arrived at by Mr. Rangw Iyer, Mr. Mudaliar, Mr. Joshi, myself, Dr. Ziauddin and Sir Muhammad Yakub, and it was a proposal, made in that Committee by Mr. Joshi, to give him the credit, and nobody else. My friend says in his ignorance that this was the bait given by the English members of that Committee. Before making any assertion, my friend will be well advised in getting possession of the facts. The Indian members, the Hindus, the Muslims and the Parsis, were all unanimous, and there was no note of dissent. The only questions which we discussed at great length were what should be the constitution, who should work it in the best interests of India, and whether there should be officials on that Statutory Board or not, and if they are not going to be there, then what shall be the position? All these questions were weighed and weighed properly and we were engaged in long discussions with results neutralising and balancing one another, so that nobody's interest may be in any way jeopardised, no interests may suffer, and so on, Sir, there are many interests involved in the case of the Indian railways. There are not only the Hindus and Mussalmans, there are many other interests like those of the Anglo-Indians and of the Europeans. All these had to be taken into consideration and we weighed all of them properly and we considered that this Committee, if it is appointed, must command the confidence of the whole of India as well as of the people who have got such important interests through having their capital invested in the railway undertakings.

[Mr. Muhammad Yamin Khan.]

and so on. This was not an easy task. Members had to deliberate separately. The Indian members were sitting separately and discussing the questions amongst themselves, then they had to discuss the subject with the British side, and they had to come to a compromise. We had to come to an agreement which might safeguard the interests of all sides, of all peoples. That was not an easy task, to satisfy everybody, but this is fortunately a report which has satisfied everybody excepting the European members on the communal question who said that, although they did not like this to be made a provision in the Statute, they would like a convention started on this basis and worked like this. We Indian members did not see eye to eye with them,—we said, no. We wanted to have the matter settled once for all and we must stand by it. Now, Sir, thousands of questions are put almost every day in the House. Do we not want that they should be shut up for ever? Do we not think that this is spoiling the spirit in this House? We wanted that by this body we should work as smoothly as possible and, in order to get this kind of spirit and in order to achieve this object, the only possible way was that a kind of managing committee may be appointed which may safeguard this House outside and in which everybody may have confidence, so that there might not be occasions for putting any questions in this House, but those questions might be raised there. We wanted to satisfy everybody and we could not satisfy everybody unless we came to some such arrangement: and, instead of receiving any congratulations from some Honourable Members, there comes up a kind of criticism which is based only on mere ignorance, and I suppose my remarks must now have thrown some kind of light on the issues and removed misunderstandings from the minds of Honourable Members. I assure you, Sir, that none of us was or is willing that this legislation should be undertaken in England and not here. We are as much jealous to guard the interests of this House and its privileges as any other Members would be, and we stood fast and strong guarding our interests and our privileges. We did not at all like the rights of this House being given up by any individual Member outside this House. With these words, Sir, I resume my seat.

Mr. Nabakumar Sing Dudhuria (Calcutta Suburbs: Non-Muhammadan Urban): Sir, I must thank you for kindly offering me also an opportunity to intervene in this debate, although I am not one of those who have tabled a cut motion thereon. At the outset, Sir, I must say that it is really unfortunate for all of us here that this subject has been incidentally mentioned in the Honourable Member's Budget speech, when it has yet no direct or indirect bearing on the present Budget. The mischief that has been done is that the mere mention of the thing has tempted many of my Honourable friends to speak on the subject, more or less involving a political issue, superseding for the time being discussion of some matters of greater moment vitally affecting the country in relation to our present-day railway working and administration. I need hardly point out that this subject will come forward for separate treatment by itself hereafter, when all this speaking done today could have been more effectively made. But now that I am on it, I must say my say as briefly as possible.

It was in September, 1930, that a Despatch is said to have been sent from the Government of India to the Home Government containing a proposal for the establishment of a Statutory Railway Board in India.

Among its recommendations there were the following: (1) to render prompt and adequate service to military authorities in times of political crisis; (2) to safeguard the enormous capital sunk in the Indian railways; (3) to guarantee the services of the higher officers in the railways appointed by the Secretary of State for India; (4) to ensure future recruitment of Europeans on a larger scale on military grounds; and (5) to maintain the interests of the Anglo-Indian community in the railway services. But I do not know, Sir, when and how the question of the Statutory Railway Board first cropped up in the discussions at the Round Table Conference. But, so far as my knowledge of the matter goes, it was the White Paper that first came forward with the suggestion to take our railways out of the control of the Central Legislature and place them under a Statutory Authority, which would be the absolute master of the destinies of our railways. The scheme, as has been already adumbrated by one of the speakers, is that our railways are to be managed and controlled by a Statutory Railway Authority, which will be functioning more or less like the administration of one of our existing Port Trusts. In that case the Railway Administration of the future will cease to be accountable for all practical purposes to the Central Legislature. So the major portion of the railway expenditure, which is now subject to the sanction of the peoples' representatives in the Legislative Assembly, will be taken away from their control. But, Sir, we must not forget this important fact that the revenue derived from the railways is in normal times often more than the revenue of all the Provincial Governments put together. Thus, if a comparison be made between Provincial Administration and Railway Administration, it can safely be said that by losing the control of the Railway Administration through the operation of the Statutory Railway Board, we shall be losing a bigger Administration in exchange for smaller ones, which we expect to get by the proposed Constitutional Changes. Again, Sir, it must not be overlooked that the railways are the largest employers of labour in this country. It is, therefore, all the more necessary that the railways should be kept under popular control in the interests of the poor and voiceless labourers. Also, Sir, as it is a fact that the railways are the biggest consumers of stores and minerals, it is essential that there should be a more rigid popular supervision over them in order to protect the interests of indigenous industries, which are, by the way, getting into a position to supply the requirements of our railways. Then, Sir, it cannot be denied that so far as the trade and industries of this country are concerned, the Railway Administration is an important factor. Now-a-days when transport facilities are so essential requisites for the development of the trade and industries of the country, inter-country trade cannot possibly develop, unless indigenous manufacturers receive full support and sincere co-operation from the country's Railway Administration. At present, as we all know, even with the direct supervision of the Legislative Assembly, the Railway Administration continues to be tainted with preferential treatment amongst the different classes of the employees, favouritism in freight rates, jobbery, corruption, pilferage, wilful waste and extravagance, and callous neglect of the country's indigenous trade. Such being the case, it is naturally apprehended that if the Railway Administration is made entirely independent of popular control, the condition of trade and industries, as well as of the finances of the country, will not improve in any way. But, on the other hand, they will be prejudiced by the constitution of the future Statutory Railway Board.

[Mr. Nabakumar Sing Dudhuria.]

Again, Sir, having come to know the true aims and objects of the proposed institution, I am of the opinion that the Statutory Railway Board should meet with unstinted opposition from every quarter of this House.

Mr. Lalchand Navalrai: Sir, I was glad that this question whether the Statutory Railway Board is going to be constituted by legislation of this House has come up for debate. I find that some misunderstanding has been created on this subject, because of some portion of the sketch proposal that I have in my hands. It was because of this that the Mover of this cut referred to that point, and I am very glad that he got a contradiction from those Members who were actually present in London and were responsible for these proposals. I find in para. 2 of the Memorandum of the Secretary of State for India the following passage:

"I venture to think that the proposals set out in this paper are, broadly speaking, conceived on sound lines, and it is gratifying that so large a measure of agreement has been reached."

Now, while one reads this, he feels that the Members of the Legislature, who took part in the debate of that Committee, agreed that this Statutory Board should be created by the British Parliament.

Mr. Muhammad Yamin Khan: What is it that my Honourable friend is reading? Is it the report of the Committee or is it the letter?

Mr. Lalchand Navalrai: I have already said that you have explained yourself very correctly, and we are very glad and gratified to see that our Members who went to England did not play false with us. On the contrary, I am very much thankful to them, because they stuck to their guns to see that the privileges of this House are not abused in the least. I am very conscious of it. But I will go a step further and say that, even up to this moment, that question has not been settled, and I do hope that the Members of this Legislature will put it forcibly and strongly that the legislation for the creation of this Statutory Board should be passed by his House and not by the British Parliament, otherwise the control of this House over the railways will be very negligible. But, Sir, when I read para. 5 again of that Memorandum, I find that the Secretary of State has made the position very clear, as to what questions were before the Committee. It implies that they have not yet arrived at the decision whether this Bill should be enacted here in India or in the British Parliament. The question now is whether the public opinion in this country and the opinion of the Members of this House would be strong enough to induce the Secretary of State to give up the idea of passing this legislation in the British Parliament. In para. 5, I read:

"There remains to consider the important question whether a Statutory Railway Authority should be set up by British or by Indian legislation."

The question is very direct. Then, it goes on:

"As I see the position, there appear to be four courses open:

- (1) An Act might be passed in the present Indian Legislature and the necessary adaptation to the new constitution made in the Constitution Act itself.
- (2) The Constitution Act itself might contain provisions complete in all details.

(3) The Constitution Act might lay down the general principles on which legislation should be based, it being left to the new Indian Legislature to legislate in detail in conformity with those principles.

(4) The matter might be left entirely to the new Indian Legislature with the reservation that the approval of the Governor General in his discretion should be required to the introduction of the original Bill or any amending Bill."

These were the four proposals and they have not yet arrived at the final decision as to which should be accepted. Then, it is said:

"In any event, it will be necessary to insure that a Statutory railway authority shall be set up on right lines."

Now, Sir, the right lines are that the legislation should be passed by this House. I think it will not be right on the part of the British Parliament to dictate to us and then say that they have given us some reform. Further on, it is said:

"In any case, it would be necessary to preserve in the Constitution Act the existing rights which the Indian Railway Companies possess under contracts entered into with the Secretary of State in Council."

There seems to be some sense in that, for the contracts have already been made, and they cannot be dishonoured. But nothing should be mentioned in the Act that there should be no control by this House over these Company-managed railways in the future. I leave that point, therefore, there, and I hope that this House will be as strong as it has expressed itself on other matters and see that this Bill is passed by this House.

Then, Sir, I was wondering how is it that in every matter of reform we find that something is being cooked up already; something or the other is being prepared by the Parliament or the British people and then they say that they have given us the reforms we want. Sir, you know the result of the Reserve Bank Bill. Now, the currency and the financial questions have gone out of our hands, and here also we are faced with the self-same question. It is said that the object of this legislation is that there should be no political interference with the working of the railways. I for one cannot understand that. The commercial questions or the political questions are all connected *inter se* in this Railway Board, and to say that there should be no political interference is a matter which passes all my imagination. Sir, they are not prepared to give us any hand in the finance, or in the economic position of India or even in the administration of railways, and I do not know what reforms then they are going to give us. What about those pledges that were made to us that self-government will be given to India? I know those pledges were made at a time when the Great War was going on, and they wanted our help. How are those pledges going to be fulfilled? Sir, all these machinations have been made in order to have the control in the hands of the British Parliament and to leave very little for us. This idea has not emanated from the Government of India. I find here that the Secretary of State makes a clean breast of it. He says:

"The paper, entitled 'The Future Administration of the Indian Railways' which I now circulate, is the outcome of the deliberations of the Committee which I recently appointed in order to go through the scheme which I had prepared in consultation with the Government of India to give effect to these principles."

So, the Secretary of State has confessed that the matter was conceived by him and there was only a formal consultation with the Government of India. Have the Government of India been treated fairly, in

[Mr. Lalchand Navalrai.]

the matter? The Secretary of State puts forward a cut and dry proposal and asks the Government of India to give their consent to it. Then the Secretary of State calls a Committee of 22 members to sit in London, the Committee containing, as it did, seven Members of the Indian Legislature who went to England specially for the purpose. I do not in the least say that the Members who went there from here were not competent, were not representatives of India. They fully understood the interest of India which they had in their heart and they expressed their views there. What is the result? The Secretary of State says, we had a large measure of agreement. How can you call it a large measure of agreement? The whole thing was done beforehand by the Secretary of State and then the Indian Members were simply asked to do a certain remnant business. Under the circumstances, how can they profess to call it giving reforms? If they really wish to give reforms, then they must give substantially. Now, Sir, coming to the Committee, it consisted of 22 members, out of whom seven were Members of the Legislature, and, out of the others, four were eminent railway experts, and so on. All the same, we find that they have not been able to decide whether legislation is to be undertaken here in India or in England. We are of opinion that legislation should be undertaken here, and I do not think that there is any difference of opinion amongst us on that point, and the Secretary of State does say that the question is still open.

With regard to the powers of this authority, what do we find? It is not the Federal Government, it is not the Federal Legislature that will appoint that body. It is the Governor General that will appoint this body and, therefore, their responsibility will not be to the people. What is required is that the power of appointment shall be in the hands of the people. If you read the report, you can sum it up in one word. In some other countries where there is democracy or government by the people, we unfortunately now find dictators. In Germany, Italy, Turkey, and elsewhere, there are dictators. That is the principle that is perhaps being applied here also. Who is going to be made the dictator of the Indian railways? The Statutory Railway Authority. Now, the Federal Government might say that this authority had been so badly constituted that it was acting like a dictator. What then? I say this is very bad in principle.

The next point is the services question that is involved in this Statutory Railway Board proposal. This matter is also committed to the Railway Authority. The Legislature cannot even put any question with regard to their doings. Then my Honourable friend, the Mover of this motion, laid great stress on the point whether the Railway Revenue Estimates will be placed before the Federal Assembly or not. No doubt they will be placed, but all the items will be non-votable. At least in the present Constitution, we have some items which are votable and some others which are non-votable. By this so-called 'progressive reform, even that much is being taken away. Then comes the question of Indianisation about which we have been very insistent in every direction in the railways. Here a stumbling block is being placed on Indianisation. I put it like this. If it is that the Railway Authority is to create and make appointments in the services—and they are subordinate in that direction to the Whitehall and the Governor General only—then there will be no Indianisation, but only the interests of the Imperial Services will remain supreme.

Mr. C. S. Ranga Iyer: Is my Honourable friend aware that under this new Constitution, the Railway Minister will be responsible to the House unlike the present Railway Member who is responsible to Whitehall?

Mr. Lalchand Navalrai: What I mean to say is this. The Federal Minister may be responsible to this House, but, all the same, when the new Railway Authority is constituted,—not by the Federal Minister, but by the British Government,—then he will say "What can I do, my position is very weak. The Authority has been so constituted, and I cannot do anything". This provision of the Federal Minister is put in there simply to lull you to sleep. Therefore, all the higher posts will remain in the hands of the Britishers, and there will not be any substantial Indianisation. The British people will have full preference. My Honourable friend, Sir Henry Gidney, and his Anglo-Indian community, however, will have a greater share, but not the other Indians.

Sirdar Harbans Sing Brar (East Punjab: Sikh): Sir, the question of constituting a Statutory Authority for the railways is a very important one. As it will control the assets of the nation of such a great magnitude as to the tune of eight hundred crores, it is essential that such a body, if it is to be constituted, must be controlled by the Federal Government and the Federal Legislature in its entirety. The legislation to constitute that body must be enacted by the present Indian Legislature or the future one which will take its place and by no outside authority, and, on that point, there is no division in this House, and I hope there will be none outside.

The next question is this. How is this House or its successor to control the appointments to, and the general administration of, the Railways in the future in which concern will be invested more and more money in times to come when we develop our rural communication? Or is the Legislature merely to govern the policy alone? To my way of thinking, the Federal Government must have active control over the administration as well as the policy of the would-be Authority which will control the railways. The appointments to such a body must of necessity and, in the national interests, should be made by the Federal Government and not by the Governor General at his discretion, nor even after consultation with the Federal Government. I say, it must be on the advice of the Federal Government alone and in no other manner. The Chairman of such an Authority should in similar ways be appointed by the Federal Government and not by a person responsible to a body outside this country. In addition, the power of dismissal ought in fairness to rest also with the Federal Government which will be responsible to the Federal Legislature which will in turn be responsible to the people of India, both in British India as well as the Indian States, because the Federal Government, if it is to function, must have a competent say in matters of appointment as well as dismissal of a body which has to have a control over the money of the nation invested in the railways. These assets belong to nobody outside India. They have been subscribed by the nation and the nation has to pay for them when they are borrowed. It is for the representatives of the nation and its Government,—when it is to have federal autonomy and control of its own finances and its own property,—that the Legislature and the Government responsible to that Legislature must have the whole say and the complete say in the matter of appointments as well as of dismissal of that Statutory Body as well.

[Sirdar Harbans Sing Brar.]

as its Chairman. No other scheme would either be in the interests of India or would be acceptable. It may be forced on us, but it will not be willingly accepted. If we leave the administration of the railways completely to that Statutory Railway Authority without any control either by the Federal Government or the Federal Legislature, I do not think that things will move too happily. Even at present we have not much control over the ordinary administration of the railways, though we vote all the expenditure, sanction all the money, provide all the funds for capital expenditure. But, as far as the actual administration of the railways is concerned, we have only a nominal or a fictitious say in the matter. The officials directly concerned and the Agents of the different railways are the actual administrative officers, and no interference is made or can be made even at present. And, in future, if the body is to be wholly independent and if the administration of the railways is to be completely divorced from the control either of the Legislature or of the Federal Government, that body may rule, as we have been condemning in this House, like the autocrats in some portions of India today, and it will be very difficult for us to mend matters. Suppose, for instance, that Statutory Body ignores the interests of the minorities. I am not a communalist and would not like to press communal claims. But, as far as the present trouble in India is concerned, it is merely for positions and places for the different interests, call them by communal names or call them on an interests basis. You can say that the Muslims are not sufficiently represented or the Hindus are not sufficiently represented, or, if you do not like any of these communal names, you can still say that the rural interests are not sufficiently represented. In times to come, the rural people have to play a more and more important part in the government of the country, and it will be their desire and their claim, with justification, that they must have an adequate share of representation in the different branches of the administration.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Unlike other commercial concerns, very large amounts have been invested in the Indian railways. If we leave the administration completely in the hands of the Statutory Body, it may not listen to the rural people and give them adequate representation—the commercial interests being predominant in the urban areas and most likely predominant in the so-called Statutory Authority,—their claims may be completely ignored, as at present, they are being ignored, all the high places are being occupied by urban people, who are looking to the interests of their own people; and it will be only the Federal Legislature in which they (the rural people) will be represented and the Federal Government before whom they will be able to press their claims, who can give them fair consideration. And if the Federal Government and the Federal Legislature are not to have any control in the administration of that Statutory Authority, how will those claims and grievances be remedied? I, therefore, think that the Federal Government and the Federal Legislature ought to have sufficient control as the Legislature at present has over the Railway Board. At present what do we do? We ask for information by way of questions, and from that information we find out whether particular interests are safeguarded or not and whether particular conveniences are provided for the patrons of the railways, namely, the passengers,

and such like things. And in the future it is only fair that such information should be sought in order to see that the railways are managed as the masses want them to be managed and administered. The Authority should be independent in the way as the Agents at present are within their limited spheres of administration. But the Legislature and the Federal Government must be competent, when it is felt necessary in the interests of the country and the nation, even to interfere in the details of the administration of the Statutory Authority. They must be the sole judge of the necessities and the time for it. You should not suppose that the Federal Government, as constituted in the future with the representatives of the States and the different interests of British India, with such administrative experience as the States provide, will be fools to interfere in ordinary details of administration. You can leave to them to act as sensible statesmen as in other parts of the world; but you must not curb their discretion and their power to interfere when they consider that the interests of the country as a whole demand that the Government and the Legislature should interfere to a certain extent with the administration of railways.

Sir, there is nothing more to be said on this subject. We are all agreed that legislation constituting the Authority should be enacted by the present Legislature or its successor, that the appointments should be made by the Governor General on the advice of the Federal Government, and I am of opinion that dismissal should likewise be on the advice of the same Government. The report of the London Committee has placed certain disqualifications regarding appointment and, I think, as the Committee is agreed on it, nothing need be said on that issue. But the Authority, to my mind, should be of people who will give their whole time to this business. I am not in favour of part-time appointments to such an important body which will have to have under its control such big concern as the railways throughout India. Part-time people cannot devote that much attention and that much care as a person whose sole concern will be to devote his time to the business he is appointed to control. I, therefore, consider that, if possible, whole-time persons will be much more advantageous in the better management of the railways.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, I would like to say a few words on this important discussion. We find in the proposals for the future Statutory Railway Authority the following:

"In paragraph 74 of the White Paper, it was stated that His Majesty's Government considered the aspect that while the Federal Government will necessarily exercise general control over railway policy, the actual control of the administration of State railways in India should be placed by the Constitution Act in the hands of a Statutory Body so composed and with such powers as will ensure that it is in a position to perform its duties upon business principles and without being subject to political interference."

We always find this question of political interference springing up everywhere: whenever any important question comes up in connection with future reforms, the same bogey of political interference is brought to the forefront. Take the case of the Reserve Bank. There also this bogey cropped up. It seems that the British Parliament has got so much suspicion of the future Legislature that they cannot have any faith in it and wants to take away all real powers of control from it and keep them with the British Parliament through the Secretary of State and through the Governor General acting at his discretion. I must say that this

[Mr. Bhuput Sing.]

suspicion is very injurious to the principle of good government. If the British Government is so suspicious of the Indian Legislature, then there is no wonder if we on this side of the House have also the same suspicion against the British Parliament, and the very foundation of this proposal, I believe, remains on very shaky ground.

Then, Sir, there is a proposal that the Statutory Board should consist of seven Members, four of whom will be appointed by the Federal Government and three by the Governor General at his discretion. It is very curious to find why the Federal Government should not be given the power to appoint all the Members. They say in one place:

"The committee recommended that all the members of the authority should be appointed by the Government; the rest of the committee while agreeing that four out of the seven should be appointed by the Federal Government considered that the other three should be appointed by the Governor General in his discretion."

Suspicion, I believe, came in at every step. Why this suspicion? We must see that the future Railway Authority remains solely under the Federal Legislature; if the appointing authority is the Governor General, then the Minister in charge of Railways cannot be responsible to the Legislature. The Legislature must be given power to deal with all the important questions of railways and communications, because Members of the Legislature are the representatives of the people from whom the railway earnings will be derived.

As regards the proposal for statutory recognition for the appointment of two Muslims on the present Board, I have nothing much to say; but I think there should not be Statutory recognition of any claim of any community: it must be composed of men who are experienced in the matter of administration. Why should there be any reservation for any community? Let there be the most efficient men and let them be selected by the Minister who will be guided in such appointments by the advice of the Public Services Commission.

Mr. Muhammad Yamin Khan: Will the Honourable Member like that all the Members of the Board should be Europeans?

Mr. Bhuput Sing: No.

Mr. Muhammad Yamin Khan: Why not?

Mr. Bhuput Sing: If the Federal Government is given power to appoint the Railway Authority, then proper representation will be enforced by the future Legislature, and there should be no suspicion in the minds of any Member either here or there. (Interruption.)

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member is not giving way.

Mr. Bhuput Sing: Why Europeans? Why should not the most expert and experienced and efficient people be appointed? Certainly there should be no scarcity of Indian intellect to compose that Board. I am surprised to find that Mr. Yamin Khan thinks that only Europeans will be found efficient and that there will be no competent Indians when the future Federal Government comes into existence. I say that there should be no

discrimination against any community; there should be equal chance given to all communities in India, because the railways are the property of the Indian Government and not of the British Parliament. Let Indians of every caste and creed have an equal chance to be on the Statutory Authority and not one single community: if now we say that the Muslims should get two seats, the Sikhs will come up and ask for one seat, and this communal strife will go on for ever, and there will be constant quarrels over the rights of each community for representation on this Statutory Railway Authority.

I find that though the Budget Estimates will be placed before the Federal Legislature, there will be no voting on those demands. This House at present enjoys this right which was secured to this House by the Government of India Act of 1919 after a prolonged political agitation, and it is very curious that the future Federal Legislature should be sought to be deprived of that right, though we are told that the future Constitution is a further advance than the present one. I say the future Government ought to have the power to appoint and dismiss any one in the Statutory Railway Board.

I am very glad that when this question was being discussed, all the Members from the Indian Legislature had opposed the idea that such an Act should be passed by the British Parliament. Now, Sir, in all the discussion that has taken place in this House today, I find that not one, except Mr. Yamin Khan, from the London Committee spoke on this subject, though the discussion has been going on from quarter past two, and I do not know why these gentlemen are sitting quiet without enlightening us on this subject

Mr. N. M. Joshi: May I on a point of order suggest that the Government of India should now speak, instead of leaving the discussion to ourselves?

Mr. Bhuput Sing: But Mr. Yamin Khan rose and explained his position, and I am very thankful to him. As regards the enactment for bringing this body into existence, I think that this Act should be enacted by the future Federal Legislature which will be more representative in character and which will have the right to influence the future Government in drafting the Bill to the best interests of India.

Mr. N. M. Joshi: May I again, on a point of order, repeat what I said before? If the Government of India are not going to take part in the debate, I can understand; but if they are going to take part in it towards the end, it is not fair to the other Members that they should not speak during the debate at all.

Mr. C. S. Ranga Iyer: If I may rise to a point of order on the same subject, may I suggest that the Government should not take part in this debate, but that they should communicate this debate to the Secretary of State for India?

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Government of India are entitled to choose their own time for their intervention in the debate.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, I had no intention of taking part in this debate until the last speaker had spoken. He, at the conclusion of his remarks, stressed certain aspects of the Statutory Railway Board Committee Report which calls for some criticism. He objected, no doubt as a democrat, to communal introduction into the constitution of the Railway Authority as opposed to the Railway Executive, and my friend, Mr. Yamin Khan, interfered and asked him a very pertinent question to which he could not give a reply. But, Sir, if anyone examines the White Paper, he will find that every page of that White Paper is pregnant with communal weightage and awards. Indeed, I would go further and say that though it is nothing else but a book full of anomalies affording protection to certain communities, a large majority of Indians are prepared to accept such communal awards, etc.

Sardar Sant Singh: Question.

Lieut.-Colonel Sir Henry Gidney: You may say, question, but if you are prepared to accept the Communal Award, then you accept the award in the White Paper of political weightage to communities which, in itself, gives each one of them a political voice in the Legislatures to enable them to demand economic weightage and economic protection. And so, I can imagine the majority party in this House sweeping the Railway Authority with its own representatives. Sir, I have no desire to stop the progress of democracy in this country. Indeed, I firmly believe that so long as communalism remains in this country, it will impede the progress of nationalisation. I go further and say that communalism is the direct negation of nationalism

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Who signed the Minority Pact then?

Lieut.-Colonel Sir Henry Gidney: I would say the Majority Pact, and not the Minority Pact.

Sardar Sant Singh: Who fathered it?

Lieut.-Colonel Sir Henry Gidney: I did and I am proud of it. Now, let us face facts. We have to face facts. The Muhammadans, who have as important a stake in this country as my Hindu friend over there, demanded at the Statutory Railway Board meeting in London a certain percentage of Muslims on the "Railway Authority",—they in fact went so far as to exclude Anglo-Indians from it,—but they demanded a certain Muslim percentage. This was not accepted by the Secretary of State, and quite rightly too. At the same time, one cannot get away from the fact that for the present you must have communal representation in all such constitutions—indeed I challenge any Member in this House to say that any Cabinet, Provincial or Central, can be formed in India, that has not got a fair number of Muslims in it. I ask, is this not introducing communalism into our Legislatures and Cabinets, and yet you object to it in the composition of the new "Railway Authority".

Mr. D. K. Lahiri Chaudhury: Who is responsible for introducing the communal spirit?

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Anglo-Indians.

Lieut.-Colonel Sir Henry Gidney: No doubt you are right, but, Sir, I am not talking to my friend, Mr. Mitra. He will get his turn to speak. As to whether the "Railway Authority" will be elected by, and be subject to the control of, the Federal Legislature or not, matters very little to me. Whatever happens I am anxious that the main spring, which controls the Railway clock, must be in good working order. I want this not only for the benefit of all railways in India, but of all the communities employed on railways.

Sir, there are certain aspects of this Report that should receive the serious consideration of the House. In the few speeches I have heard today, they have not been touched. There is an aspect to be found in the very opening paragraph of this Report, and if the principle underlying that paragraph is rigidly operated by the future Government, I do not see how any Member of this House could object to any form this "Railway Authority" assumes. Let me, for the information of the House, read this para. In paragraph 74 of the Introduction to the White Paper, it is stated that:

"His Majesty's Government consider it essential that the whole of the Federal Government will necessarily exercise a general control over railway policy, the actual control of the administration of State Railways in India, including those worked by Companies, should be placed by the Constitution Act in the hands of the Statutory Body so composed and with such powers as will ensure that it is in a position to perform its duty upon business principles and without being subject to political interference."

Sir, I take my stand on that. As one who has made himself very familiar with the administration of the Indian Railways,—and I think I can claim a closer familiarity than most Members of this House,—it is my considered opinion that the time has come when there must be, as far as is possible, a distinct separation of the two bodies, controlling the general policy of railways and the day-to-day administration of railways. This House,—with all respect to you, Mr. President, and to your predecessors,—I say, this House has been allowed too many privileges. These privileges I have been,—I was about to say, "abused",—let me say ill used by certain Honourable Members. And what do you find today? Most of your best railway officials, senior and junior, are sick unto death of our interference with the men at the wheel and they are just waiting to pack up bag and baggage and clear out of this country and leave us to our own devices.

Some Honourable Members: Hear, hear.

Lieut.-Colonel Sir Henry Gidney: You may say Hear, hear, but let me tell the interruption, if the administration of railways were in his hands, there would be a derailment everyday. Sir, it is my considered opinion that we cannot run our railways by any constitution that permits of interference with the day-to-day affairs of the railways. No business concern will ever succeed, unless it is properly controlled by those who are in direct authority and control of it. Certainly if there is a case of grave injustice, it should be brought to the notice of the House, but, here, again, I would say, if the Railway Board had any political foresight and imagination, it would have long ago appointed a Committee of Inquiry into all complaints. It has not done so. But even so to make the floor of this House the venue of petty complaints in the shape of questions, as to why 21 ticket collectors or 31 firemen were transferred from one place to another,

[Lt.-Col. Sir Henry Gidney.]

is, in my opinion, a great waste of our valuable time,—it occupies our time absolutely uselessly and fruitlessly. I could, if I choose to do so, stand on the floor of this House and ask many questions so far as my community is concerned. I do not do so, because I know it is a waste of time. Moreover, the Railway Board, though interpellated for all these years with questions of this character, take no notice whatever, their ears are deaf and so I would beg of this House not to poke their noses into the "Railway Executive"—the body controlling the day-to-day administration of railways.

Mr. S. C. Mitra: I suppose questions like those you put about the Chief Medical Officer on the E. I. Railway are all questions that would help the administration to be conducted in a business-like manner! (Applause.)

Lieut.-Colonel Sir Henry Gidney: Sir, my friend, Mr. Mitra, has a most wonderful habit of laughing when he speaks and then clapping himself. I do not generally worry myself over such small issues as the Chief Medical Officer of the E. I. Railway—a waste of time,—and Mr. Mitra knows it.

Mr. S. C. Mitra: It was a big issue.

Lieut.-Colonel Sir Henry Gidney: It may have been a very big issue as far as Mr. Mitra's brain was concerned, but I am glad I have not got Mr. Mitra's insectorial insight or brain. In my humble opinion,—I submit it is not right for us to interfere into the meticolae of the day-to-day administration of railways. Certainly with larger issues of policy, bring them before the House, expose them, and I am with you, but do not any longer waste our time over small matters. Sir, the first para. of the Statutory Railway Board Report clearly states what should form the general policy. However the constitution of the Railway Authority may be secured, whether it be elected by the Federal Legislature or incorporated into the New Constitution Act or elected by the British Parliament. I do beg of my friends on the other side of the House, do not interfere with the man at the wheel for, in doing so, you may replace him by a worse man, or administrator, especially if we appointed such railway expert as my Honourable friend, Mr. Mitra.

Dr. Ziauddin Ahmad: Sir, a Statutory Board is a Board created by an Act of the Legislature, and the Board created by the executive action of the Government is an ordinary Board and not a Statutory Board. Sir, I first heard of this Statutory Board in connection with the special Board created in Germany for guaranteeing the payment of reparations. At that time they created a special *gesellschaft* with a kind of Board of Directors, called *Verwaltungsrat*, on which they had representatives of the creditor countries, and they had a special commission to see that the reparation payments were regularly made. That was the view which I took in 1927 when I first studied the question. I leave the references in the Joint Parliamentary Committee's Report to those Members who were members of it.

The attention of the Assembly was first drawn to the proposed Statutory Board by the memorandum of Major General Hammond, which was discussed on the floor of this House at the instance of Mr. Ranga Iyer. I

had great doubts, which I expressed on the floor of the House, and I thought that the question in India was not the same as in Germany. Here our Railway Department is indebted only to the Indian Government from whom the Department borrows. The Railway Department does not borrow directly from the people here or abroad, but borrows from the Indian Government. Therefore, our railways are not indebted to any other Government except our own. I, therefore, thought that the question of instituting a Railway Authority which was found necessary in Germany did not arise. When I left India, I left with the firm conviction that I would oppose the formation of a Statutory Railway Authority tooth and nail, and I went to Geneva and to Berlin specially for this purpose in order to fortify myself with arguments. I stayed several days in Berlin and went into great detail of the working of the Statutory Railway Board, and discussed the matter with Directors and Managers. I studied at Geneva the administration of other European countries, by examining the working of these boards, and I came to the conclusion that the formation of a Statutory Railway Board was the only means by which the Indian railways could be saved from extravagance and financial ruin.

I have repeatedly said on the floor of this House that we have spent large sums of money on capital expenditure. Though nominally they were sanctioned by the Assembly, though nominally they have been passed by the Finance Committee, but our powers of supervision are very limited. Even in this year's Budget we have provided a capital expenditure of Rs. 4½ crores which will be guillotined on Saturday without giving any opportunity to discuss the merits of those items of capital expenditure. Our powers, though they exist on paper, are in practice very limited. The only person that we have got to supervise the expenditure of the railways on our behalf is the Financial Commissioner of Railways, but we know that he is more a representative of the railways than of the tax-payers or of the Legislature or even of the Finance Department. With this state of affairs, I thought that it was absolutely essential that we must have better supervision of the expenditure of the railways, better supervision of the railway policy, better supervision of the railway programmes, and the only way in which it could be done is to institute a body between ourselves and the Railway Administration who can scrutinise on behalf of the tax-payers the whole of the railway programme. I was confirmed in my ideas when I studied the action taken by some of the Governments in Europe. I studied very carefully the action taken by the Swiss Government, by the Belgian Government and by others. They had to constitute, after series of losses that they incurred, a special Statutory Body to look after the interests of the tax-payers. In Belgium, they tried all possible methods and in the end they had to fall back upon the establishment of such an Authority. Therefore, we find that in nearly every country they had to establish some kind of Authority which would scrutinise the expenditure and the policy of the Railway Administration on behalf of the Government and on behalf of the tax-payers. This is the inevitable conclusion at which I arrived, and I challenge any one here or outside this House to tell me how this particular supervision could be more effectively exercised than by means of a body whose business will be to do the work of supervising the railway policy, because our supervision by a Finance Committee of the type that we have got or even a *post-mortem* examination by a Public Accounts Committee or by any kind of general discussion in this House, has failed to exercise that amount of control

[Dr. Ziauddin Ahmad.]

which the tax-payers desired. It is proved by the enormous wastage that we have incurred from the time that the Railway Accounts were separated from the General Budget. Here I came to the conclusion that some kind of Authority was necessary and that Authority must have the benediction of law, that is, it must be created by means of an enactment, or it must be a Statutory Body. The second question, immediately after this thing is decided, is by whom should that body be created.

My Honourable friend Mr. Gaya Prasad Singh, has already quoted the four alternatives which the Right Honourable the Secretary of State for India has mentioned in his memorandum. When we met in London, and I think my Honourable friends will bear me out,—at the end I pleaded with the Secretary of State that this Statutory Body should be created by the Indian Legislature and not by the British Parliament, and I gave the following arguments which I repeat here on the floor of the House. My first argument was—mentioning in the reverse order of importance—that our Indian Legislature, though not so efficient, was certainly much more expeditious than the British Parliament. (Laughter.) My second argument was—that the Railway Act dealt with all kinds of subjects, and the Parliament was too busy a body to deal with them in details and that it could not be done by the British Parliament. The Railway Act is a big volume. My third argument was that the railways were intended for the benefit of the people, and the people of India were more qualified to understand the conveniences and comforts of their own people, and Parliament really would not know the requirements of the people of India and, therefore, they were not competent to legislate on behalf of the Indian people. Then came the last and most important argument—I ask, who is to pay the deficits of the Indian railways? Are they to be voted by the Legislature of India or by the British Parliament? Evidently there is only one reply to this question, and that is that the deficits will have to be paid by the tax-payers of India by the vote of the Legislature of India. I maintain in that case what right the British Parliament has to legislate that the Indian Legislature will pay the deficits? It is *ultra vires* of the British Parliament to legislate that the tax-payers of India should pay the deficit. These are really some of the arguments that we used. I emphasize very strongly that this legislation should be enacted by the Indian Legislature, and this Railway Authority should be responsible to the Indian Government. There had never been any difference of opinion among Indians at any stage of the discussion on the question that the Railway Authority should be created by the Indian Legislature, and not by any other Government than the Government of the people for whose benefit the railways exist.

Now, as to the details of the constitution of the Statutory Body. We have created a body consisting of seven persons and some of us thought it very important that these seven men should be whole time officers, because they are not expected only to meet once or twice a year, but to work all the year round. We have got before us the example of other countries. We find that these persons are whole time men in this sense that this work has got the first claim over their time. The Authority will work in committees. Take the case of Germany. The *Verwaltungsrat* has got several standing committees, the Executive Committee, the Finance Committee, the Tariff Committee and the Technique Committee. These are permanent committees functioning all the year round.

The next question was about the Chairman of this Committee. There were three possible alternatives. One was that the Minister should be the Chairman. The second alternative was that the Chief Commissioner or the Chief Manager of the Indian Railways should be the Chairman. The third alternative was that it should have a Chairman of its own. We thought that we should follow the practice of Germany and it would be better in the interests of general administration, that we keep the Minister out of it. If the Minister be the Chairman of this Committee, and his opinion is included in the proposals of the Authority, it would be very difficult for the Government to upset the decision. So we decided not to have the Minister as permanent Chairman and leave him free. The second alternative was to have the Financial Commissioner for Railways as the Chairman. There is not a single country in the world except the L. M. S. Railway in which the Chief Manager is the Chairman of the Board of Directors of the Statutory Board. That is a solitary example. The Manager there is Sir Josiah Stamp. He is the greatest living authority on railways. He is a man in whose hands any Legislature and any Administration could safely entrust the administration of the railways, but Sir Josiah Stamp are not found in every country. Even in England, the other three Railway Administrations could not appoint the Chief Manager as the President of the Board of Directors, because the second Sir Josiah Stamp was not available. A man of Sir Josiah Stamp's ability will never be available in this country, and so we could not follow that example. We practically ruled out that idea as not being a practical proposition. The next alternative is to have an independent President who may be a wholetime officer and may look after the interests of the Indian railways from the point of view of the Government and from the point of view of the tax-payers. This is really the inevitable conclusion we arrived at. We considered for a very long time whether the Chief Commissioner should even be a Member of the Railway Authority, and we came to the unanimous conclusion that it was not in the interests of the Railway Administration that he should be a Member of the Railway Authority, because this Railway Authority will not deal with the questions of day-to-day administration. In other countries, the Chief Manager of the Railways is not a Member of the Statutory Authority. Therefore, with the consent of the railway experts with the consent of all the political groups, and with the unanimous consent of the representatives of the Legislature, we decided that the Chief Commissioner ought not to be a Member of the Railway Authority, and any attempt whatsoever to go back from the unanimous decision will be a reactionary move and it cannot be supported either by arguments or by any example of any other country. We owe to Diwan Bahadur Mudaliar for the next useful decision that the Financial Commissioner should not also be a Member of the Railway Authority. He will be in a very difficult position. In India, unfortunately we have developed wrong traditions. On account of these wrong traditions, the financial supervision has become very shaky and the finances are not scrutinised to the extent they deserve. The Financial Commissioner is not a representative of the Railway Department. The Railway Department will have their own financial expert, and that financial expert will be under the Chief Commissioner of Railways. The Financial Commissioner represents really the tax-payers. He represents the Government of the day whatever that Government may be, and on his advice, the Statutory Board will practically act. He is really an expert of the Statutory Board. He is an expert of the Government.

[Dr. Ziauddin Ahmad.]

is an expert of the Legislature and not the expert of the Railway Department, because their actions will have to be scrutinised by him. He cannot scrutinise his own proposals. It will be unsound if he first scrutinises on behalf of the Chief Commissioner, and then gives a certificate to himself on behalf of the Railway Authority. But being in this position, we considered that it was desirable that he also should not be a Member of the Statutory Railway Board, but should be invited to come as an expert to express his opinion. Both these should not be regular Members and should not have votes, and this is an essential part of the constitution of the Railway Authority. I may also mention here that when we came to what is now called the Railway Board, here we also discussed the question in greater detail and from the arguments advanced and examples brought forward from the successful operations in other countries, we came to the conclusion that the responsibility of administration should rest on one man. The responsibility should not rest with a Committee or a Board: the responsibility of a Committee or a Board is practically no responsibility. The whole responsibility should rest on one man, the Chief Commissioner of Railways. He should have the services of a number of Heads of Departments whom he might consult, either collectively or individually on any problem. The difference of opinion between himself and the Head of his Department should be brought to the notice of the Railway Authority. The Financial aspects of the proposals must be scrutinised by the Financial Commissioner, who is really the expert of the Railway Authority. He will scrutinise with an unbiassed mind the recommendations made by the Chief Commissioner. In these proposals we are really following the example of several Companies in the United Kingdom and elsewhere. The Chief Manager and his colleagues do not constitute a regular Committee or a Board, but the whole power rests on one man, and he consults his colleagues or subordinates whenever he likes in any capacity he pleases.

I do not like to raise the issue on this debate about the personnel of the Authority except to point out one thing, namely, that the Hindus and Muhammadans, who live and who will have to go on living in this country, must settle their mutual differences by some kind of agreement, and we cannot go on fighting for ever, and some kind of compromise should be arrived at. (Hear, hear.) It is immaterial, whether that compromise should form part of the Statute or be enforced by means of a convention. The important point is that there must be some kind of settlement of this particular question, so that we may work together for the good of the country and not fight unnecessarily on smaller issues.

Paragraph 6 of the London Committee's report deals with the Depreciation Fund and other investments and it suggests that a Committee might be convened to advise what those conditions should be. As regards the expenditure from the Depreciation Fund and other Funds, I think it is high time, even independent of the Statutory Board, that we should consider these questions very seriously and solve them for good. We have been demanding year after year that the Railway Board should present a balance sheet along with the profit and loss account, but no balance sheet has ever been presented. Sir, we ought to have some better provision and better manner of spending funds placed at the disposal of the Railway Authorities. I believe even the amount debited to the account of the Depreciation Fund is much more than any other country puts in. Out of an income of Rs. 85 crores, we are putting in 18

crores, that is about fifteen per cent., which is too big an amount. We ought to have clear rules (not confidential) about spending these funds, whether it should be left entirely to the Railway Authorities to do it as they like or whether they should not come before the Legislature; but these are important points of detail which must be settled sooner or later, and, I suggest, whether the Railway Authority is established or not, these important points should be considered, and these cannot for a long time be overlooked.

There is one point more about the power of the Legislature. In the first place, we said that the Members of the Legislature should not be eligible for being Members of the Railway Authority till one year has elapsed after the vacation of their seats. Now, that particular provision, as I said, has been borrowed from the Belgian Constitution, and that is the only Constitution where a provision of this kind exists, but they have taken only a part of it. The other part of that scheme is that the Minister is the Chairman of that particular Board. (Hear, hear.) The real idea was that the Minister might possibly begin to bring in members of his own Party. If you decide that the Minister should not be a Member of the Board, then this special provision which was found expedient in the Belgian Constitution has got no force, and this is also a provision which does not exist in any other country whatsoever. Therefore, if a special provision was introduced in one particular country for special reasons, we need not follow it blindly. We cannot introduce that provision without introducing its counterpart. If you make Members of the Indian Legislature not eligible till one year has elapsed, then, as a necessary consequence, you must make the Minister to be the President of the Railway Authority. Either follow both, or follow none.

The second thing which I should insist upon is that the Estimates and the Budget proposals ought to be laid before the Indian Legislature, and we should have the right to pass Resolutions, and this we do now in practice in the voting of the Demands. We only raise questions of policy by token cuts during the Budget debate. So I do not think we are losing any power.

Mr. S. G. Jog (Berar Representative): Questions on railway administration will be disallowed.

Dr. Ziauddin Ahmad: The Railway Authority will do it.

Now, the next thing which we might consider and which I would certainly strongly support is to follow the method adopted in some of these Constitutions of European countries. They appoint a Committee of six persons: three are nominated by the Lower House and three are nominated by the Upper House. This Committee of six persons scrutinises very minutely the Budget of the year.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

They are also laid before the two Houses when they consider the Budget and when they consider Resolutions. This is really a power which is parallel to what we have—that these things ought to be scrutinised by somebody on behalf of the Legislature and that their report should be considered by the Legislature. Though I do not advocate that we should have the power to vote for a demand, we should certainly have the power to pass Resolutions on the policy, and so forth. Then

[Dr. Zaiuddin Ahmad.]

if we possess all these powers and we also have the power given to the Federal Minister or Member in charge of the Railways which is provided for, that if the Federal Government decides a particular question about the policy, then the Railway Authority will give effect to it, we can delegate our powers to this Authority. We know that the Member in charge of Communication will always represent the views of the majority of the Legislature. Therefore, if we have all the powers that I have just enunciated, then I think we are not losing any power which we possess not in name, but *de facto*. I think our supervision with all these provisions will be much more effective than the supervision which we exercise over the expenditure of the Indian railways at present.

As regards the rates and fares, I have a definite suggestion. Though the Railway Administration should have some latitude in fixing the tariffs, the limits should be prescribed by the Government. These limits should not be very wide such as one pie a maund and one rupee a maund. With these wide limits, it is impossible for anybody to leave the exact fixation to the Railway Administration. The variations should be narrow and such as exist between the maximum and minimum points in exchange. The degree of variations cannot be left to the Railway Administration. If you read the Constitution of any country in which the State-owned railways have been handed over to the Railway Authority, you will notice that the final authority for fixing the rates and fares is always the Government itself, because the prosperity of the country and the development of the trade depend upon the fixing of the proper rates and fares. These rates can create or destroy industry. The maximum and the minimum fixed under the present administration are too wide, and such wide limitations cannot be left to the Railway Administration.

Then, Sir, another question mentioned here is the question of a difference of a dispute between any trade and the Railway Authority about the rates of a particular article. We have practically followed the system which exists at present which is this. The matter is first referred to an Advisory Committee; then the report of the Advisory Committee is referred to the Railway Authority and then the Government decide. I think this is too elaborate a procedure. We should follow the practice that prevails in other countries and have a Tribunal instead of the Rates Advisory Committee. That Tribunal consists of a Judge of the High Court who is the President, and there is a representative of one Party and also the representative of the Railway Authority, and their decision is final. That will be a great improvement on the present cumbersome and expensive system.

Then, Sir, there is one other point on which I should like to lay great emphasis in the interest of economy and efficiency. We have followed the example of Germany in introducing the divisional organisations in order to have efficient management, but we should follow it in other respects. We should examine the systems of other countries. My friend, Mr. Mitra, says that we should follow the practice of Japan. But, Sir, whenever I speak, I speak only of those systems which I have actually seen and tested. I have read only the reports about the administration of Japan, and, therefore, I am not an authority on it. My friend says that that is the only country where the railways pay. It may be so. I think we ought to improve our general administration in order to make it work more efficiently and more economically. I suggested it in the

London Committee, but it was considered to be irrelevant to our discussions. We should co-ordinate our railways. We should follow the practice of abolishing some of the unnecessary offices. We followed Germany in organising the divisional system, but we should also follow Germany and abolish agencies. Give full powers to the Superintendents, and the Chief Commissioner should control and co-ordinate their work. The Chief Commissioner should directly be responsible for the administration of Indian railways and appoint as many Divisional Superintendents as may be found necessary. I know that this system cannot be introduced all at once, because we have got a very complicated system. We have got a system in which we have got State railways being managed by the State; then we have State railways being managed by the Companies; then we have private railways being managed by the State. All these combinations are there, and unless these complications are solved, this particular ideal cannot be introduced successfully. We will soon acquire the direct administration of few important lines now worked by Companies, and we should be ready with a better administration of the Indian railways. And I think the ideal is that we do create an Authority responsible to the Indian Government and also responsible to the Indian Legislature who are the representatives of the tax-payers. The day-to-day administration should be left entirely to one individual, namely, the Chief Commissioner, who should have a large staff under him representing different heads of the administration. He should supervise and control direct work of the Divisional Superintendents with out the intervention of Agents. I think the existing administration is expensive and there is a great duplication of work. The system worked exceedingly well when most of the lines were managed by Companies.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Dr. Ziauddin Ahmad: I will finish. I only recapitulate what I said; it is essential for the better administration of the Indian railways that we should have a Railway Authority, but it is equally essential that this Railway Authority should be responsible to the Indian Legislature and to the Indian Government, and should be created by them. After all, it is intended for the benefit of the people of India, and the Indian Government have got an interest in it, because they are entitled to get one per cent. of the capital at charge, that is, about eight crores of rupees. The Indian Government is also responsible for the payment of the interest on the capital advanced to the Railway Department.

Diwan Bahadur A. Ramaswami Mudaliar: Mr. President, I am anxious that the House should express its opinion on the one important question that has arisen in the course of the debate, and I hope that somehow, in putting the motion to the vote of the House, you will make it clear that that is the question on which the House will divide. I suggest that that question is whether legislation should be by Parliament or whether legislation should be by this House or by its successors. The Right Honourable the Secretary of State, in the Memorandum that he submitted to the Joint Parliamentary Committee, has put forward four alternatives, and I should like to draw the attention of the House to alternative No. 1 and alternative No. 4, under either of which legislation will be by this House. Under alternative No. 1:

"An Act might be passed in the present Indian Legislature and the proper adaptation to the new Constitution made in the Constitution itself."

[Diwan Bahadur A. Ramaswami Mudaliar.]

Under alternative No. 4:

"The matter might be left entirely to the new Indian Legislature with the reservation that the approval of the Governor General in his discretion should be required to the introduction of the original Bill or any amending Bill."

I am agreeable to either of these courses, but I am not agreeable to the courses laid down in alternatives Nos. 2 and 3, whereby Parliamentary legislation is required for establishing the Statutory Railway Board. I should like to make it clear at the outset that the Members of the Central Legislature, who were members of the London Committee, were unanimously of opinion, as my friend, Mr. Yamin Khan, has already pointed out, that legislation of this kind should be undertaken by the Central Legislature of India. In fact, my Honourable friend, Mr. Ranga Iyer, raised this issue in a prominent manner at the very inception of the proceedings of the Committee, and it was only because it was ruled out of discussion by the Secretary of State as the Chairman of the Committee who suggested that this matter was eminently a matter which could be discussed by the Joint Parliamentary Committee in collaboration with the Indian delegates who attended that committee, that the London Committee was not in a position to express any opinion on the subject. Otherwise, I do not have the least hesitation that practically all the Indian members of that Committee, whether they were representatives of the Central Legislature or outsiders would have been in favour of legislation by this House or by the Central Legislature for the creation of a Statutory Railway Board.

Sir, in discussing this question about the Statutory Railway Board, I wish to emphasise not indeed para. 1 of the Secretary of State's memorandum which my Honourable friend, Sir Henry Gidney, read out, but para. 1 of the Committee Report itself which, I am afraid, has not received the attention which it deserves from Honourable Members of this House. That paragraph begins:

"Subject to the control of policy by the Federal Government and the Legislature, a Railway Authority will be established and will be entrusted with the administration of railways in India as described in para. 4 and will exercise its powers through an executive constituted as described in para. 3."

It will be seen from this paragraph that the authority and the functions of the Railway Authority are limited to this one supreme consideration, this one supreme control that the policy will be dictated by the Federal Government and by the Federal Legislature. Honourable Members may want to know what is meant by this. I feel, Sir, that it means that on every essential question concerning the railways, this House will have the power of expressing its opinion, and remember, Sir, that the Federal Minister under the new Constitution will be responsible to this House, and, if any motion is carried in this House by a majority, that will be binding on the Federal Minister and through him on the Statutory Railway Authority.

Sir, some of my Honourable friends feel somehow or other that the present powers are much wider than they will be under the new Constitution. But I would ask my Honourable friends to turn their attention to the 190 amendments that have been given with reference to the Budget discussion, now, in the present year when we are supposed to have very wide powers and when we have actually the power of voting on the demands and passing the demands put forward by the Honourable the Commerce

Member. I have before me a list of these amendments, 176 in number in the printed list, and 11 from my Honourable friend, Mr. Lalchand Navalrai. With the exception of two motions, every one of them is a motion for reduction by Rs. 100 to discuss a question of policy. Therefore, 185 out of these 187 motions raise questions or discussion of policy. Let me now advert to the question of substantial cuts, the very first is by my very interesting friend, Kumar Gopika Romon Roy, who, I am sorry, is not here, and it reads as follows:

"That the demand under the head 'Railway Board' be reduced to pias 3."

If that is the substantial cut that this House can be advised to carry, I do not envy its position now and I do not regret if that power is removed from the future Federal Assembly. The only other cut is from my Honourable friend

Mr. C. S. Ranga Iyer: If I may interrupt my Honourable friend, that power is not removed from the future Federal Assembly, because it will have the power of censuring the Minister if it differs from his policy.

Diwan Bahadur A. Ramaswami Mudaliar: I was referring to substantial cuts reducing the grant, but not to censure motions at all. All these are in the nature of censure motions or questions raising issues of policy, and this power will completely inhere in the Federal Legislature. What I am pointing out is that the present Legislature, by some scheme of its own, by the adaptation of some policy imposed on itself, is carrying out that which the future Federal Legislature is asked to do under the scheme of reforms. It has not taken on itself the task of reducing the grant, by cutting the pay of an Agent here or a Deputy Agent there, or a Chief Engineer of Railways elsewhere or a Publicity Officer in another direction, and, during the last fourteen years, while this Railway Budget has been discussed in the Legislative Assembly, I venture to put forward, from a rather cursory reading of the debates of this House, that this House has never exercised and, may I say, never wanted to exercise, so far as the Railway Budget is concerned, the power of reducing a grant substantially. It has always, I find, tried to exercise the power by raising questions of policy, and, so far as that is concerned, the new proposals keep in tact,—in fact go further than the present powers naturally, because we are visualising a constitution of responsible Government,—keep in tact the present powers of the Legislature and make the exercise of those powers much more potent and much more effective.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): What about interpellations?

Diwan Bahadur A. Ramaswami Mudaliar: If these policies are dictated by the Central Legislature and if the Railway Board is bound to carry out this policy, then it stands to reason that any interpellations with reference to any application of policy laid down by the Legislature and adopted by this House can be interpellated upon in this House and can form a subject of censure motion on the Ministry concerned. I have no doubt at all that that is the actual constitutional position.

Let me now come to the position of the Railway Authority and the Railway Board. I suspect that there was a confusion in the mind of my Honourable friend, Mr. Gaya Prasad Singh,—I may be wrong; and I may

[Diwan Bahadur A. Ramaswami Mudaliar.]

be doing him an injustice,—but the position is surely this. The Railway Board will be in existence under the new Constitution, which will come into existence, in a different way from the present Railway Board, but in between the Federal Legislature and the Federal Minister and the Railway Board, which will be actually the executive authority for managing the Railways, there will be interposed an authority called the Railway Authority composed of non-officials, composed of Members who, according to the unanimous recommendations of the Members of the Central Legislature, will be Members nominated by the Federal Minister, who, according to the proposals of the majority of this Committee, will be composed partly of Nominated Members by the Federal Legislature and partly by Members nominated by the Governor General at his discretion. In either case, this Railway Authority will be the real representative non-official body which will be in close touch with the working of the railways, it will have control over the Chief Commissioner, it will scrutinise the Railway Budgets and it will, from time to time, lay down instructions for the Chief Commissioner which he is bound to carry out. In fact, Sir, the Chief Commissioner of Railways will carry out only those powers which are delegated to him by the Railway Authority. The question arose in the Committee, whether such a Railway Authority, keeping such a constant and close supervision over the working of the railways, should be composed of men who are full-time men paid for the job or whether they should be half-timers getting a fairly good allowance. Some of the Members felt that they must be full-time Members from the very start. A majority of the Committee, however, felt that it was an experiment which may be tried, but they kept an open mind on the question whether they may be full time men or not. If experience necessitated the appointment of these Members to the Railway Authority on a full-time basis, they did not oppose it, but they did not want to make a proposal from the very start that they should be full time officers paid for the purpose. This Railway Authority is the authority which is going to have the real control over the management of the Railway Administration, subject, of course, to the policy being dictated by the Federal Government and by the Federal Minister. In either alternative, and taking the worst alternative, that is, the alternative, whereby four Members are nominated by the Federal Minister and three Members nominated by the Governor General, I ask this House to give its verdict on this question whether that Authority will not have greater control over the Railway Executive than the present Legislature is having. There is no use of thinking that the Railway Executive, as we know it, will have no check over it at all hereafter. No, Sir, that is not the position. There is a Railway Authority composed of non-official gentlemen, seven in number, and they will have the requisite control over the Railway Executive. If that Authority is going to function satisfactorily, I venture to suggest that the extent of control over the Railway Board, and, through the Railway Board, over the Agents of the various Railway Administrations, will be much more close and much more exacting, and it will be much more concerned with the day-to-day administration than it is possible at the present moment. (Hear, hear.)

Lieut.-Colonel Sir Henry Gidney: May I rise to elicit an explanation? Will the Honourable Member enlighten the House for I am also in a little doubt. My Honourable friend has used the words "Railway Board" frequently. I do not know what exactly he means by "Railway

Board". In the new constitution, there will only be a Railway Authority and a Railway Executive, but no Railway Board.

Diwan Bahadur A. Ramaswami Mudaliar: At the present moment, we are having a Railway Board, constituted of a Chief Commissioner, a Financial Commissioner and two or three other Members as the occasion may demand, at the present moment, there is only one other Member, and these are in supreme command of the whole affairs of the railways. The only authority above them is the over-worked Member for Commerce and Transport. Is that an Authority which is going to be more under control under the Railway Authority or less under control under the Railway Authority than it is at present.

I shall come now to the next scheme of this report. Under this Railway Authority, there will be a Railway Executive. The Railway Board will be composed of the Chief Commissioner, the Financial Commissioner and such other number of Commissioners as the Chief Commissioner may recommend. This is what I call the new Railway Board composed of a Chief Commissioner, a Financial Commissioner and such other Commissioners as may be desired by the Chief Commissioner. This is the executive which carries out the work of the railways, Company-managed, State-managed, branch lines and all other lines. Now, how is this body going to be appointed? The Chief Commissioner is appointed by the Statutory Railway Authority; that is to say, these seven non-official gentlemen, howsoever they may be composed so far as communal considerations are concerned, will be the persons who will select their future Chief Commissioner. The only restriction is that that selection should be approved by the Governor General in Council. It is not a question of their making a recommendation to the Governor General which may or may not be approved; it is not a question of their being consulted as in the case of the appointment of the Governor of the Reserve Bank. Consultation in that event may mean that the Governor General at his discretion may appoint some one who has never been thought of by the Board of Directors. But, on the other hand, the Chief Commissioner is going to be appointed on the recommendation of the Railway Authority; that is to say, if one gentleman is not accepted by the Governor General, then he can only ask the Railway Authority to send in the name of another gentleman. He cannot choose somebody in whom the Railway Authority has not got confidence. And quite rightly. The Railway Authority, under the scheme of the proposals, you will find, Mr. President, has the supreme responsibility of seeing that the railways are managed and conducted so economically and so efficiently that they are a profitable concern on commercial lines. You cannot throw that responsibility on the Railway Authority and, at the same time, suggest that the Chief Executive Officer shall be put over their heads without consultation with them and in direct negation or opposition to their orders.

Mr. C. S. Ranga Iyer: May I ask my friend where he gets this new Railway Board from? It is not in the report.

Diwan Bahadur A. Ramaswami Mudaliar: I would suggest to the Honourable Member to read the report of the Committee once over. You may call it the Railway Board or you may call it the Railway Executive. There is no charm in the words "Railway Board". I consider that as the Railway Board, and it does not matter so long as the idea is not that these people should act in consultation or that the majority

[Diwan Bahadur A. Ramaswami Mudaliar.]

of votes will prevail. I distinctly say that that is not the case, but if these two or three people are going to act together and the Chief Commissioner is to be mainly responsible to the Railway Authority, I consider this an incipient Board at any rate.

Now, Sir, the Financial Commissioner is the next chief authority, almost co-equal in extent of authority or in powers or in responsibilities to the Chief Commissioner himself. The Financial Commissioner plays a very important part at present in the affairs of the Railway Board, and the future Financial Commissioner is going to play an even more important part in the new Railway Executive that will be created,—I will avoid the words "Railway Board" if that does not suit any of the Honourable Members of this House. Now, the Financial Commissioner is going to be appointed by the Federal Minister or by the Governor General on the advice of the Federal Minister, to use a constitutional phrase, and that means that the recommendation of the Federal Minister is binding on the Governor General. It is a well known constitutional phrase. The Governor General cannot repudiate the advice of the Minister and is bound to accept the advice.

Lieut.-Colonel Sir Henry Gidney: It does not say so in the report.

Diwan Bahadur A. Ramaswami Mudaliar: It does say so in the report, and I would beg my Honourable friend, Sir Henry Gidney, who takes a very lively interest in all railway matters, to read the report once again:

"The Financial Commissioner will be appointed by the Governor General on the advice of the Federal Government."

I did not know I was quoting the report so accurately, Mr. President. That merely means that the Governor General must appoint the man chosen by the Federal Government. And, naturally, it is right that it should be so. Matters of finance, finance being a transferred subject under the control of the Legislature and in charge of a responsible Finance Minister, must be so arranged that the man in charge of financial scrutiny must be a man in whom the Federal Ministry has complete confidence. And, therefore, even as the Chief Commissioner is the person in whom the Railway Authority has complete confidence, the Financial Commissioner must be a person in whom the Federal Minister has complete confidence. Over and above this, the Chief Commissioner may suggest such other number of Commissioners as he considers necessary and the Railway Authority shall appoint them.

This is the skeleton of the proposals in the main. Now, I come to the question which was raised and which was debated to a certain extent on which, I admit, there was no agreement among representatives of the Legislature, whether the Minister of Transport should be a Member of the Railway Authority or not. Some of my colleagues felt that the Minister of Transport should be a Member of the Railway Authority and should be the Chairman of the Authority. I took the view, along with some other colleagues, that it was far better that the Minister of Transport should be outside the Railway Authority altogether, that he must have only the power, at any time he likes, to attend meetings of the Railway Authority, give directions to the Railway Authority on the lines of the policies approved by himself or by the Legislature and require the

Railway Authority to carry out certain instructions which the Federal Government or the Legislature may lay down on questions of policy. And I felt that it would add to the prestige, it would add to the dignity and it would add to the efficiency of the Minister of Transport if he were kept outside the Railway Authority and were merely in a position to attend any particular meeting of the Railway Authority and carrying on to them in person the wishes of his Government on any particular subject. What would happen in the alternative case? If he were Minister and if he were the President of the Railway Authority and if he were outvoted in the Railway Authority, what is his position with reference to the Legislature? If he is called upon to give an explanation for some act of the Railway Authority, is he going to suggest, as many of us who have served on committees are inclined to suggest in this House, that for his part he did not do so; he voted against the proposal, but his colleagues on the Railway Authority voted him down and, therefore, he should not be censured, but that the censure should be on his colleagues on the Railway Authority? That may be an easy position for a Non-Official Member, but it will be an impossible position for a Minister to take up, that while he is a Member of that Authority and bound by the decisions of the majority, he can have the hardihood to come up to the Legislature and say that personally he should be exonerated from any decisions that that Railway Authority has taken on any particular point. I still hold the view that it is far better for himself that the Minister of Transport should be outside the Railway Authority and should not be either a Member or the President of that Authority.

Now, Sir, the Secretary of State has emphasised this point that on questions of policy the Federal Government and the Legislature will have complete control. In paragraph 4, he says:

"The governing principle laid down in paragraph 1 of the proposals is that railway policy is to be controlled by the Federal Government and the Legislature, and where Defence requirements may be concerned, the authority of the Federal Government will reside in the Governor General by virtue of his special responsibility in respect of any matter affecting the administration of the Reserved Department of Defence."

That is to say, in all matters the Federal Government will be responsible. In those matters of policy which are within the competence of the non-reserved departments, the voice of the Legislature will prevail. In those matters of policy, such as defence matters with reference to strategic railways or with reference to mobilisation and utilisation of the railway energies at times of war or in cases of need, defence being a reserved subject and the Governor General being responsible, under the White Paper scheme, matters of policy in that respect must obviously be dictated by the Governor General. My Honourable friend, Mr. Dudhoris, raised some interesting questions, and asked what the Legislature will do hereafter. He raised the question of labour and said that supposing there is trouble with reference to railway labour,—and the railway is one of the largest employers of labour,—what will be the position of this Legislature? If, as a matter of policy, this Legislature feels that particular hours of work should be prescribed for railway labour or that particular wages as the minima should be prescribed for railway labour, then I hold that, under the scheme of this London Committee's report, this Legislature has complete and omnipotent powers on those questions. Take, again, the question of the promotion of indigenous industries in the purchase of stores. If as a matter of policy, this Legislature decides

[Diwan Bahadur A. Ramaswami Mudaliar.]

that the railways should utilise stores and articles produced in this country and promote the indigenous industries, I venture to claim that it is a question of policy,—and I cannot see how it is not a question of policy,—the opinion of this Legislature expressed by Resolution must be accepted by the Federal Minister and must be translated into practice by the Railway Authority and by every officer connected with the railway system.

Take, again, the question of transport facilities to encourage trade and industry and agricultural produce with reference to which my learned friend, Raja Bahadur Krishnamachariar, is going to have a motion tomorrow: well, that is certainly a question of policy; and, therefore, if agricultural produce is to be conveyed at certain rates as a matter of public policy, then I venture to say again that the Legislature will be completely seized of that question, and its views must undoubtedly prevail.

Take, again, the question of Indianisation. I cannot conceive of any question which is more a question of policy than the question of Indianisation, and whatever is laid down by the Legislature must be binding on the Railway Authority subject to one consideration—yes—because you will find in the White Paper scheme that the Governor General has got some special responsibilities in this matter of services—subject to that consideration, subject to any particular proposal of the Legislature being overruled by the Governor General in the discharge of his special responsibilities, I say once more that this Legislature dealing with it as a matter of policy will have complete power. I venture to go further, and, may I say, I am making a personal confession, that if only this Legislature, not even the Federal Legislature, knows how to exercise its powers and tries to bring up questions of policy—not detailed questions of a Ticket Examiner here and an Assistant Station Master there,—it could exercise much more influence even under the present Act than it is doing by the hundreds and thousands of questions that it unfortunately asks on the floor of this House. We have to educate ourselves—and here I say from my friend, Sir Henry Gidney, down to my humble self, as to how we have to educate ourselves as to the manner in which we can bring contentious questions for discussion on the floor of the House without disgusting some of our own colleagues and without having any effect on the Honourable Members of the Treasury Bench.

Now, somebody suggested that the interests of the minorities were ignored under the scheme. That was a very difficult question. We faced it fairly and squarely, and I think we have evolved a solution which I commend to the attention and acceptance of this House. That solution is to be found in para. 8 of this Committee's report:

"The railway Authority will be empowered, subject to the powers of the Governor General, in the exercise of his special responsibilities, and subject to the safeguarding of the rights of all officers in the service, at the time of the establishment of the Railway Authority, to regulate by rules or by general or special order the classification of posts in the railway services on state-worked lines in British India, and the methods of recruitment qualifications for appointment to the service, conditions of service, pay and allowances, Provident Fund benefits, gratuities, discipline and conduct of those services; to make such delegations as it thinks fit, in regard to appointments and promotions, to authorities subordinate to it; and to create such new appointments in the State Railway Services in British India as it may deem necessary or . . ."

It comes to this that the new Railway Authority is the supreme authority with reference to all these matters, and others can only exercise it by way of delegation. Then comes the important sentence:

"In its recruitment to the railway services the Railway Authority shall be required to give effect to any instructions that may be laid down to secure the representation of the various communities in India."

Those instructions will be laid down by the Federal Government and by the Federal Ministry

Mr. S. O. Sen (Bengal National Chamber of Commerce: Indian Commerce): Where do you find it?

Diwan Bahadur A. Ramaswami Mudaliar: That is the obvious meaning

Mr. S. O. Sen: The obvious meaning is that the instructions will be laid down by the Secretary of State or the Governor General.

Diwan Bahadur A. Ramaswami Mudaliar: My Honourable friend, Mr. 5 P.M. Sen, is a very good lawyer, and I bow to him on all questions of interpretation of Statutes and laws, but I prefer to interpret a report, to which I was a direct party, in my own way. The Secretary of State does not enter into this question at all: he is wiped out of the picture, so far as this matter is concerned, the moment the Railway Authority is constituted. Then my friend referred to the Governor General. The next sentence says:

"In regard to the framing of rules to regulate the recruitment of the Superior Railway Services the Public Service Commission shall be consulted. Any powers in regard to matters dealt with in this paragraph at present exercised by the Government of India over Company-managed railways shall in future be exercised by the Railway Authority."

Therefore, as regards the Governor General, the very opening sentence of the para. I have quoted says that the Railway Authority will be empowered, subject to the powers of the Governor General in the exercise of his special responsibility. The special responsibility for maintaining a contented service, for giving effect to what is termed communal representation, or, for looking after the grievances, etc., inheres in the Governor General. In making those appointments, so far as principles are concerned, the Railway Authority will be bound by the regulations or instructions which the Government of the day, that is, the Federal Government, may lay down; and, with reference to the qualifications, etc., as regards the superior services, it will be guided by the recommendations of the Public Services Commission. Some members of the Committee went further and suggested that, both for superior and subordinate appointments, the Public Services Commission may be consulted and their rules adopted by the Railway Authority. Unfortunately we were not able to carry the majority of our colleagues on the London Committee with us, but it is quite clear that at every stage and in every manner possible we have tried to see that the representation of various communities is adequately safeguarded. How else could we do it when no less a champion of the rights of minority communities than my friend, Sir Henry Gidney, appeared before the London Committee with a special memorandum on the subject of the appointment of Anglo-Indians, and pleaded so eloquently, so charmingly and so effectively that the London Committee was left gasping at the moment when he finished his eloquent appeal?

One or two minor points only remain. Take the question of ~~maxima~~ and minima rates and freights. One of the questions that is so often

[Diwan Bahadur A. Ramaswami Mudaliar.]
debated in this House is the reduction of third class passenger fares and of traffic rates. In fact, this morning we had a debate on that question: you will find that in para. 11, it is said:

"In regard to the railways referred to in paragraph 4, maxima and minima rates and fares shall be fixed by the Railway Authority subject to the control of the Federal Government."

That is to say, if the Federal Government so choose, it can, with the approval of the Legislature, direct the Railway Authority to take a particular maximum fare and a particular minimum fare. I venture to think that, on the whole, in this report, we have tried to safeguard, as far as possible, the real effective control of policy on behalf of the public. It is true that we are not going to have a replica of the discussion that we now have on the Railway Budget; it is true that my Honourable friend, the Commerce Member, or his successor, the Federal Minister of Transport, will not put forward 12 items before us which we now scrutinise, with the idea of reducing them substantially; it is true, at any rate I hope it will be true, that we shall not have 976 out of 3,000 questions relating to railway employees, which we had during the last year, on the floor of the House. But there is the control of the Federal Legislature through the responsible Federal Minister over the Railway Authority. I venture to submit that under this scheme of reforms, if it goes through, we shall have greater power than we have today. But that is not saying much: we shall have more effective power in controlling the Railway Administration than we are having today.

One last question. Somebody suggested to the Commerce Member that he need not partake in this debate. I do not know whether he will be in a position to do so with reference to these proposals; but I would like to ask the question, which I asked Sir George Schuster with reference to the Reserve Bank Report: is he in a position to tell us how far the recommendations of the London Committee with reference to the Statutory Railway Board have been accepted by the Secretary of State and by the British Government? I know that so far as the Joint Parliamentary Committee is concerned, the question is still an open question—it is *res judicata*, if I may say so; but I wish to know how far the British Government and the Secretary of State are willing to back up the report of the London Committee, and in what particulars, if any, he is prepared to reject the recommendation of the majority of the London Committee. I venture once more to suggest to this House that it will be utilising its opportunity to the best purpose if it concentrates on this one issue, whether legislation shall be by Parliamentary Statute or by this House, and, on that question, I have no hesitation that the overwhelming opinion of this House will be in favour of legislation by this House or by its successor. (Applause.)

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair has no objection to adjourn the House now.

Some Honourable Members: Yes.

Mr. President (The Honourable Sir Shanmukham Chetty): The House now stands adjourned till 11 O'Clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 22nd February, 1934.

LEGISLATIVE ASSEMBLY.

Thursday, 22nd February, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

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

Second Stage—contd.

DEMAND NO. 1—RAILWAY BOARD—*contd.*

Statutory Railway Board—contd.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the following cut motion moved by Mr. Gaya Prasad Singh:

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

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): It is always a great disadvantage to follow up an argument after the stately eloquence of my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, and I am extremely thankful to you that you adjourned the House yesterday and gave us some little time to forget the effect of that eloquence. I shall, in the few observations that I propose to submit for the consideration of this House, put in the forefront the request with which my Honourable friend started, namely, that some device should be had by which the vote of this House should be confined to the question whether legislation to set up this Statutory Railway Board should be undertaken here or in Parliament. While I admit that it is an important question, while the Secretary of State also admits that it is an important question, though I am perfectly sure not in the same sense that we say that it is an important question, I submit that that is not the only or even the most important point in this proposal regarding a Statutory Railway Board, and I would, therefore, respectfully ask that the entire parts making up the constitution of this Statutory Railway Board as pictured in this report or in the sketch proposals, as they call it, for the Statutory Railway Board—I say that the entire proposals contained therein should be submitted for the consideration and the vote of this House. Why I say it is not the most important is, that, if you work back to the time when this White Paper was brought into existence, clause 74, which was brought to the notice of the House by my Honourable friend, Sir Henry Gidney, runs as follows:

"There is one matter of importance which these proposals do not cover, namely, the arrangements to be made for the administration of the railways under the Federal Government. His Majesty's Government" (*I ask Honourable Members to listen to the*

[Raja Bahadur G. Krishnamachariar.]

sentence somewhat carefully) "consider that it will be essential that while the Federal Government and Legislature will necessarily exercise a general control over railway policy, the actual control of the administration of the State railways in India including those worked by companies should be placed by the Constitution Act in the hands of a Statutory Railway Board so composed and with such powers as will ensure that it is in a position to perform its duties upon business principles and without being subjected to political influence."

Then it proceeds to point out the necessity of preserving the rights of the existing Companies, etc., to which I will come later. So that, in the White Paper, as I understand the language of it—I may be wrong, and if I am wrong I speak subject to correction—as I understand the language of this clause, it means that His Majesty's Government consider it essential that a Statutory Railway Authority should be brought into existence by providing for it in the Constitution Act, which is an Act of Parliament, so composed and with such duties as to ensure the control that His Majesty's Government consider essential in the working of the railways. Now, Sir, I understand that language to mean that both the necessity to set up a Statutory Railway Board as well as the definition of the powers which will ensure that Statutory Railway Board to exercise its control fully and effectively over the State-owned and Company-managed railways would be provided for in the Constitution Act itself. I admit it is just possible that the Secretary of State may not insist upon that condition, but I am now upon the point that, when our friends went to England, this was the condition with which they were faced, and they sat. I am entirely at one, I fully believe that my friends did put up a fight when they say that they did, regarding the necessity to have this Indian legislation, but unfortunately they forgot to have it entered in the sketch proposals themselves.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): There was no such fight at all.

Raja Bahadur G. Krishnamachariar: I am very glad. Yesterday we were told that there was a fight, and Mr. Anklesaria, who belongs to my Party, says that there was no fight. Whether they all agreed to Parliamentary legislation or whether the question was never raised at all—both these things are included in the statement of my Honourable friend that there was no fight.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I said very clearly what happened at the meeting, and the arguments which I used then I also mentioned on the floor of the House yesterday—that we were all in favour of Indian legislation.

Raja Bahadur G. Krishnamachariar: The sting is always in the tail. Unfortunately, my complaint is not that there was no argument. As I said, I am quite prepared to believe, I am quite prepared to state—in fact, I do not think I ought to have used the word "believe", because when my friends say that such and such a thing did happen, I have no doubt that it did happen, but my complaint is, not that they did not put up a fight, not that arguments, convincing or otherwise, were not put forward, but that in the sketch proposals, exactly as they said that there should be two Muhammadans, one shall be a European, and the rest, etc., why, I respectfully ask—and I have no objection to yield if my Honourable friend

will tell me why—I respectfully ask, why did they not insist that this provision should find a place in their sketch proposals? The Secretary of State sends a memorandum, and if you read between the lines, not forgetting the lines themselves, you find exactly how his mind works. He says . . .

Dr. Ziauddin Ahmad: May I explain as there is an attack on the Committee? We pressed very hard that this ought to find a place in the report, but we were clearly told that this particular thing was outside the scope or terms of reference of the Committee and that the proper body to discuss it was the Joint Committee of the Parliament.

Raja Bahadur G. Krishnamachariar: We do not know whether there were any terms of reference at all as I shall show presently. But if the Secretary of State said so, if the Secretary of State said that this was within the purview of the Joint Committee and that it would be discussed with the British Indian Delegation, why did he say in the last portion of his memorandum:

"In any case, it would be necessary to preserve in the Constitution Act the existing rights which the Indian railway companies possess . . .?"

That should find a place in the Constitution Act.

Now, the necessity to establish a Statutory Railway Board should find its place in the Constitution Act, and, lastly, the Statutory Railway Board, controlling as it does the entire Indian railway system, ought to be given powers, and it does mean, unless I have entirely misunderstood the English language, that the powers which the Railway authority would exercise would also be provided by Parliamentary legislation, subject, of course, to the position being abandoned by the Secretary of State himself. Therefore, I am perfectly right in stating that whatever the Secretary of State might say, these gentlemen did not go to record or register the orders of the Secretary of State. I may say at once that my Honourable friend is greatly mistaken in thinking, when I am developing this argument, that I am attacking our delegation. I do nothing of the sort. I have got great admiration for the public spirit and self-sacrifice with which these gentlemen left their home and stayed in a cold climate suffering all the inconveniences, only for the service of the country. There is no doubt about it, but that does not prevent me from pointing out that, notwithstanding all their good intentions, the result that they have achieved for us is not in the best interests of the country and it is that that I am criticising, and I hope no one would deny me the right, exactly as my friends, who have been on the Committee, are absolutely of opinion that the conclusions they have arrived at conserve the interests of the country. I have no quarrel with them. They are perfectly entitled to hold that opinion. What I respectfully submit is that I am entitled to show that what they did collectively or individually, not themselves collectively or individually, but taking the terms of the sketch proposals, I say that they do not conduce to the interests of the country and it is that that I am saying. I am not criticising anybody.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): May I ask my Honourable friend, if he had actually accepted the invitation given to him and gone to the London Committee, what recommendations, different from the one that we have made, he would have made?

Raja Bahadur G. Krishnamachariar: It is always very difficult to say what would have happened if a certain thing came into existence. I am not a prophet to prophesy, but I will presently show the disadvantage with which they started and I should have started protesting against it. My friend, Mr. Gaya Prasad, must have read these White Paper proposals at some time, but when my Honourable friends, who formed this delegation in England, sat very heavily upon him, he must have forgotten everything when he said: "Oh, if I said that parliamentary legislation was contemplated, I was in the wrong". He need not have withdrawn what he said. He need not have expressed his regret, because that is the condition with which these gentlemen started. Why on earth did they not have it provided for in their own sketch proposals? I shall now proceed with my arguments. Mr. Ranga Iyer asked me what I would have done there, if I had been there. I should be sorry to say what I would have done, but the situation as it would have presented itself to me is this. In the year 1930, His Majesty's Government, with the concurrence of the Government of India, had practically made up their mind, I say this without fear of contradiction, that a Statutory Railway Authority should be instituted in view of all these impending reforms including the Federal Constitution, as witnessed by their reference to Brigadier General Hammond. Brigadier General Hammond was asked to report on the necessity and desirability of bringing into existence a Statutory Railway Authority in view, among other things, of the impending constitutional changes and the Federal Government. I do not know, if, beyond this report, that we have in our hands from Brigadier General Hammond, anything else passed, but, when our friends from India went to England, this is what happened. This is what the Secretary of State says:

"The paper entitled 'Sketch Proposals for the future administration of Indian railways', which I now circulate, is the outcome of the deliberation of a Committee which I recently appointed to consider a scheme which I have prepared in consultation with the Government of India to give effect to these principles."

I should very much like to know from my friend, Dr. Ziauddin, what were the terms of the reference that the Secretary of State told him which did not cover the necessity or otherwise of Indian legislation on this matter. I put that question at this stage, because, when these gentlemen went there, the Secretary of State had already a cut and dried proposal and put it before them. If he had said "Now, this is the proposal that I want you to consider", I should have said "Thanks, I am sorry I came here at great risk and trouble. The first question I should like to debate is whether there is any necessity for this Statutory Railway Board". If the Secretary of State said "That is entirely out of the purview of my suggestion", I should have said "*Khuda Hafiz!* I am not going to be a party to your Committee". That is my answer to my Honourable friend, Mr. Ranga Iyer. I was not told this fact when I left the Indian shores. I do not know if my friends were told. They were not told that they were going to consider a scheme which the Secretary of State had already prepared in consultation with the Government of India and that these gentlemen were summoned to dot the i's and dash the t's. The most important and fundamental question is whether you want a Statutory Railway Authority or not. You may want it. I am not at all against it. I shall presently show that to some extent a Statutory Railway Authority might be necessary, but surely in fairness to the persons, who were to be summoned to assist them in their deliberations, how on earth is it that they were not given an opportunity to come to a conclusion as to whether there was any necessity for the Statutory Railway Board or not. I say, Sir, there is no necessity.

That is my first point. There is no necessity in this manner—in the way that you have brought into existence the Statutory Railway Authority or whatever you are going to do hereafter, this is absolutely a wild goose chase. This is absolutely what the sketch proposals start with:

"Subject to the control of policy by the Federal Government and the Legislature, a Railway Authority will be established and will be entrusted with the administration of railways in India as detailed in paragraph 4 and will exercise its powers through an executive constituted as suggested in paragraph 3."

The Statutory Railway Authority is vested with the control of the entire State-managed railways, but what shall they do? They shall exercise their power through the executive. The word "through" has a little bit of a history behind it if you turn to the provisions of the South African Act. General Hammond, in his very valuable memorandum, gives a summary of the conditions existing all over the world in connection with the administration of the railways.

Dr. Ziauddin Ahmad: As existed three years ago?

Raja Bahadur G. Krishnamachariar: I am not quite sure, Sir, that there has been an earthquake all round the world and that all these railways have ceased to exist. The earthquake happened only in Bihar, and, consequently the railway system brought into existence by the expenditure of crores and crores of rupees still exists, and still my friend's researches would seem to show to the House that they have ceased to exist. We shall go on with the text. In the South African Act of 1909 which constituted this Railway Administration, it is also stated that the Board shall exercise this power through the executive. Thus, the administration of the railways by these gentlemen, who constituted the Board in the South African Act, shall be through an executive, and I was only concerned with that. In the sketch proposals also the word is used and it is a singularly unfortunate copy, if it merely was a copy, because what happened in South Africa? Immediately there arose a clash. The Statutory Board said, they were responsible for the administration; the Federal Minister said, he was responsible. The Statutory Board asked, "what shall we do?" The reply was, "advise". It was then asked, "what about my advice?" The reply was, "it may or may not be accepted". This went on until in 1916 the Statutory Railway Board Act was enacted, with the result that the Statutory Railway Authority has been constituted to be an Advisory Authority; it is not an Authority which has real powers of control. That is the effect of the word "through". Sir, if the past is any guide for the future, in the way these things would work could be judged from our past experience, the word "through" is very very unfortunate.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Between whom was the conflict?

Raja Bahadur G. Krishnamachariar: The Government and the Statutory Authority were all one. Well, I am not the same now as I was when I was young, and Dr. Ziauddin is not what he was in Cambridge studying for his examination. What this thing says is that the word "through" at any rate started the conflict. That is my position and it is rather unfortunate that you copied this word "through". I shall presently show with regard to the constitution of the Railway Authority which these gentlemen were at great pains to propose by composing their communal differences and

[Raja Bahadur G. Krishnamachariar.]

showing a united front and asking that appointments should be made, so as to ensure the independence of these men from the political influence in England, that these two proposals were promptly repudiated by the Secretary of State. My Honourable friend, the Diwan Bahadur, asked Government to say whether the Secretary of State did accept their proposals. Now, so far as these proposals are concerned, this is the most important of the proposals, but the Secretary of State did not accept their proposals, and I shall presently show that there is nothing in the rest of the sketch proposals which requires any further agreement or non-agreement from the Secretary of State, because they are all parts of schemes the details of which have not yet been worked, and, consequently, the acceptance or otherwise of the Secretary of State is entirely beside the point. You come then to the executive. There is an Executive Authority consisting of the Chief Commissioner, who is well versed in the administration of the railways, and there is the Financial Commissioner, who is not subject to the control of the Chief Commissioner, and there are other Commissioners. In connection with the debate on the Reserve Bank Bill, my Honourable friend, Mr. Vidya Sagar Pandya, told us how in practice the Directors came to be elected and how they themselves congratulated themselves upon the good work they did, and so on. Now, that would exactly be the position, I think of the Statutory Railway Board. Your Executive—I do not care by what fetters you bind them—have after all got to work and, even in the matter of appointments, if you will kindly refer to Brigadier General Hammond's proposals regarding South Africa, you will find that appointments are not questions of policy, appointments are part of the administration, and the men responsible for the administration should be allowed to have free control with regard to the appointments. I believe I am quoting it rightly when I say that he said that the position taken up by the executive is that, unless there is a very serious matter, appointments made by the Executive should be confirmed by the Railway Authority. In some cases, where you come to the higher appointments, these may involve a large question. I quite agree with regard to the matters about which there was a great deal of complaint while it was pointed out that, out of 3,250 questions, 900 questions were devoted mostly to questions of contracts and the salaries of clerks on Rs. 5 or Rs. 10 a month and their other grievances. These ought not to be brought up before this House and there should be an authority to check the position. But how are this Railway Authority going to ensure that particular control which now is transferred from the Governor General in Council to this Railway Authority? In an able memorandum prepared by the Right Honourable Dr. Sapru, he refers to a confidential memorandum which reached him in which he says:

"I received a confidential memorandum* * * containing proposals for the future administration of the Indian railways"

Now, I would respectfully ask Dr. Ziauddin, who started from India with a confirmed determination to oppose the constitution of a Statutory Railway Board, when he sat on that Committee, was this confidential report placed before them in the beginning, in the middle, or in the end?

Mr. C. S. Ranga Iyer: The confidential memorandum of the Honourable gentleman is no longer confidential: it is the memorandum of the Secretary of State to which Dr. Sapru refers. It was then a confidential memorandum.

Raja Bahadur G. Krishnamachariar: If that is so, all I can say is that Dr. Sapru must have forgotten the facts, because he says:

"... containing proposals for the future administration of the railways."

I take it, Dr. Sapru knew exactly what was intended by this memorandum, as he elsewhere refers to our friends being in England discussing about this matter and to their report. Will my Honourable friends, who had been in London, tell me what are the ways by which they are going to ensure control by the Statutory Railway Authority of the railways of India? This sketchy proposal is very brief, I know that, but although they say that brevity is the soul of wit, it has got the qualification of brevity, but I do not understand the wit in it. There are 13 paragraphs—a rather unlucky number too, because this happened in England, where thirteen is, I believe, a very unlucky number—and if you go through these, what they do is to mention as a preliminary the position of the Secretary of State, then they go on with the Board and how it should be established, then they say about the executive, then they say about the control. They say, to whom the property shall belong? Then they say something about the rate and the way in which to safeguard the interests and what sort of account should be prepared where there is an inter-railway conflict or a conflict with some other authority, and what should be done in those circumstances.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude. He has already taken half an hour which is twice the time allowed, and there are quite a number of Members who are anxious to speak. It is in the hands of the House as to how many Members should be able to speak.

Raja Bahadur G. Krishnamachariar: I do not want to dispute your ruling, Sir. But may I respectfully request, out of consideration, that it was I who made it possible for the House to discuss the whole day, and, having regard to the fact that I am probably the only man from my Party who would speak and that it is I who made it possible to continue the discussion, perhaps you will be kind enough to give me 15 minutes more.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should conclude within ten minutes.

Raja Bahadur G. Krishnamachariar: All right, Sir. Then I shall proceed very fast, and I hope I shall not lose the wit when I am brief. I was on the point that nothing is said about the details of the control, and if you look at paragraph 4 giving the details of the control, it only repeats that they shall have the control, and then it says about business principles and all that sort of thing. I should have liked to quote, if I had the time, the way in which the business principles are worked in South Africa and how the very same question that I submitted for the consideration of the Honourable the Railway Member, namely, the question of including the strategic railways in the management of the railways, was one of the moot points there. I leave it there with the conclusion, that, so far as the labours of these gentlemen in London were concerned, they have not brought us anything tangible. With regard to the constitution, I have already said that, after a great deal of discussion, our friends came to a

[Raja Bahadur G. Krishnamachariar.]

conclusion which the Secretary of State promptly repudiated. What is the position? Somebody will appoint somebody, and although you lay down the qualification, we all know how these things work in practice as time goes on. Consequently, if you consider the constitution and if you consider how these gentlemen will come into existence, and if you consider how the control will be exercised in the absence of all material, it is difficult to agree that it is absolutely unnecessary for a Statutory Board to come into existence. There will be seven Members and seven saloons. They will get at least Rs. 3,000 a month and will have a host of clerks and stenographers, the red-coated and lace-fronted *chaprasis* and the rest of it. And, if the future Transport and Communications Member cannot get through these things, then another additional Member may be appointed, who will cost only six or seven thousand rupees and his paraphernalia will be only one saloon and not seven saloons. Lastly, Sir, the great disadvantage upon which my friend waxed eloquent, as if it was not the most important thing, was the powers. They say, do not give the powers to the Legislature. In South Africa, in spite of all the protests about the political influence, the Member in charge of the Transport, etc., Branch is the Chairman of that Board. And if you read Hammond's report, you will find that the South African Committee has worked wonderfully well and has insured improvement and development on all lines and yet the condemnation of it was that—at times political influences had the better over the administration. Therefore, there is no such thing as a political influence. When the Governor General does a thing at his discretion, is this House going to believe that he is going to do it with his own free will and not at the dictation of the Secretary of State to whom he is subordinate? In conclusion, I wish to say this. It is the privilege of this House to go into the question of the revenue and expenditure of the railways.

My friend most eloquently stated and I do agree that most of his observations are right that we have here given 195 cut motions with absolutely no idea whatsoever. Sir, that is not the fault of the system; it is the fault of us who come and work here. We are all amateurs and not trained to this sort of thing and, somehow or other, we decide to take a chance in the Assembly. Here we are flooded with papers which we have no time to read; we are rushed through the whole thing. We are asked to sit till half past five. As we have got to do something rather than do nothing, we flung these cuts on the Government people who know very well that we do not mean anything at all by them. They listen to the debate coolly and, at the end, either give a sympathetic reply or oppose the motion. Once they oppose it, the whole phalanx of the official block is behind them and we are outvoted. That is the disadvantage of the Constitution and I hope it will be changed. More responsible men than ourselves and less amateur men than ourselves will come who will study the question and will put forward substantial cuts. It is absolutely impossible to believe that the Legislature could be divested of its control such as it has over a property which belongs to us worth about 850 crores. That is absolutely unimaginable. Sir, if you push that argument to its logical conclusion, then the next 15 days, which are connected with the General Budget, might just as well have been wiped out. It may then be said that out of so many demands two were discussed and the rest were guillotined. Consequently, I submit that, owing to all these disadvantages,

the Authority such as is proposed is absolutely useless without these amendments. And if we know hereafter what those powers are, which would insure control consistently with the interests of India, I for one will at least think that my voice has some strength here. I would support that scheme, but not this scheme of which we do not know either the head or the tail.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, my task has been considerably lightened by the very able speech which my Honourable friend, the Raja Bahadur, has just made, and I do not propose to repeat the arguments which fell from him just now. But I should like to say a few words in supplementing some of the observations made by him.

My Honourable friend said that so far as the very establishment of the Statutory Railway Board itself was concerned, this House and the Indian public had no opportunity of having their say. Now, Sir, I remember to have spoken at least thrice on this question, beginning from 1931, and mine was a voice in the wilderness. If I had the powerful support of my Honourable friend, the Raja Bahadur, on a previous occasion, perhaps the issue which he wants to force on this occasion could have been more usefully debated and a straight decision taken thereon in this House. I had no intention to go into the genesis of this proposal, but as my Honourable friend, the Raja Bahadur, has raised the question as to when it was that Indian opinion ever accepted the principle of this Statutory Railway Authority, I will have to refer, though somewhat reluctantly, to what happened in London in 1930. It was the Government of India that raised this question for the first time in their Despatch on the Simon Commission Report. The Simon Commission Report had nothing to say on this question, and when the Government of India considered the detailed proposals of the Simon Commission, they it was who made the suggestion that having regard to the enlarged powers of influence, if not of control which the future Central Legislature was going to have under the Simon proposals, this was one of the essential conditions of efficient railway administration. When, later, the Round Table Conference was having its first session, as has already been pointed out by my Honourable friend, Mr. Gaya Prasad Singh, a recommendation was smuggled into the report of that Conference, or rather the report of the Federal Structure Committee of the first Round Table Conference, to the effect that the Committee had agreed that such a Statutory Body should be set up if expert enquiry showed it to be desirable. As has already been pointed out, Member after Member protested against that being put into the report, as no such decision had ever been taken by the Committee itself and no discussion had ever taken place on that question. The British Lord Chancellor cited the Maharaja of Bikaner as having raised that issue, but the Maharaja of Bikaner promptly denied having done it. Protest was again raised at the full Conference by Mr. Jayakar, among others, but still this recommendation persists in the report of the first Round Table Conference; and, so far as the British authorities are concerned, they regard the broad issue as *res judicata*, that is to say, the recommendation is there as the recommendation of the Round Table Conference to which Indians were parties.

Mr. N. N. Anklesaria: Is not Federation a recommendation of the Round Table Conference?

Mr. K. C. Neogy: I do not think Federation has anything necessarily to do with the Statutory Railway Board.

Mr. N. N. Anklesaria: Was the principle of Federation ever specifically put in issue at the Round Table Conference?

Mr. K. C. Neogy: There was complete unanimity on that question among the princes and the people of India, and my Honourable friend had better refresh his memory from the reports of the Round Table Conference. That is the position which confronts us. Brigadier-General Hammond's enquiry followed that so-called recommendation by the Round Table Conference, obviously as the expert enquiry envisaged in the report of the Federal Structure Committee. I am giving these things in their chronological order, so that some of the misapprehensions of my Honourable friend, the Raja Bahadur, may be removed. Brigadier-General Hammond's enquiry was the direct result of the so-called recommendation of the first Round Table Conference. I do not know at what stage the question is at the present moment. But we further know that when the Consultative Committee of the Round Table Conference met here, this very question was taken up and the Members recorded their decision against any legislation being undertaken in England so as to interfere with the authority of the Government of India in regard to railway matters. Then followed this London Committee. I had no desire to advance any argument of prejudice on this occasion, and if I had to refer to all these previous incidents, it is simply because I wanted to correct one of the misapprehensions under which my Honourable friend, the Raja Bahadur, appeared to me to be labouring. Here we have a concrete proposal placed before us, and I had better address myself to that. When I find that several of my Honourable friends and esteemed colleagues are signatories to this report, I naturally approach it with a good deal of bias in its favour, and, if I say anything in criticism of their proposals, it is because I have failed to realise all that they intended to convey in this very sketchy "sketch proposals" that have been placed before us. And one of the complaints that I have against my colleagues is that there are things said here which need to be explained more fully, indeed, I find that on certain points at least there is a good deal of difference of opinion between Members of this House who have signed this report as to what was exactly meant to be conveyed.

On a previous occasion, I said that I visualise the Indian railway system as the largest co-operative organisation in the world owned by the people, worked by the people for the exclusive benefit of the people. Sir, the fundamental fact about the Indian railways is the ownership by the tax-payer. Not merely have the Indian railways been constructed out of capital borrowed on the security of Indian revenues, but it has to be remembered that, in the past years, when most of the important railways were working under a system of guarantee, in those lean years, it was the Indian tax-payer who had to make up for the deficit in the earnings of the railways so as to pay the stipulated interest to the working companies. Several estimates have been made as to the total of the losses which the tax-payer had to bear in this fashion. One authority has calculated that if we were to charge a reasonable compound interest on that amount, the total would stand today in the neighbourhood of 300 crores. But even if we were to accept the figure as given by the Ackworth Committee itself, the amount of losses incurred in the past simply for the

purpose of making up the stipulated interest payable to the guaranteed companies, would come up to very nearly 70 crores. When we are discussing the question of transference of control over such an institution from this House, in whatsoever little degree, we must remember this fundamental fact. Now, I must say in justice to my Honourable friends, who represented this House on the Committee, that they do not propose to divest the Indian Government or the Indian tax-payer of the proprietary interests in this huge public utility concern. They say in paragraph 4 "that the railways shall remain vested in the Crown for the purposes of the Federal Government". The Crown, of course, comes in as a constitutional expedient and the proprietorship of the Federal Government is here recognised. The whole question is, what is the agency through which we are going to manage this huge undertaking. I do not mind whether that particular agency is set up by a Statute, but what really matters is that whatever powers that authority is to enjoy, must be allowed to it as a matter of delegation from the principal, namely, the taxpayer of India. By whatsoever manner you effect that delegation, to whatsoever little extent you maintain the control of the Government, these are questions which, to my mind, are of minor importance if once we recognise the fundamental principle that the ownership is of the Indian tax-payer and that the representatives of the Indian tax-payer sitting in the Central Legislature will have the right to say how much authority shall be enjoyed by this managing agency, how much authority shall be left to be enjoyed by the responsible Minister in charge of Communications, and how much authority again shall be left to this Legislature. So long as that fundamental position is acknowledged, I do not mind whether it is a Statutory Authority or an Authority set up by a mere convention of this House. Sir, I remember that when the Constitution under which we are working was introduced, a proposal was made very seriously that the Railway Department should be placed in the same position as the Army Department, namely, that its revenues and expenditure shall not be subject to the same amount of control of this House as of the other Departments, but, that, for the purposes of the Budget, it shall be treated as a non-voted Department. That suggestion did not find any favour with the authorities in England at that time. What is more, when the proposal for the separation of railway finance from the general finances of the country was made, the Secretary of State made it clear that unless the Legislative Assembly agreed to a convention for the purpose of effecting the separation, he was not going to use his authority for the purpose of enforcing any such separation; and the Legislative Assembly, as a measure of self-denying ordinance, passed that Resolution of September, 1924, under which this separation has been effected. It matters very little whether today we have another convention further restricting the rights of this House, and restricting the rights of the future Minister of Communications, or whether we impose such restrictions by legislation in this House. Sir, that brings me to the point which was stressed by my Honourable friend, the Diwan Bahadur, yesterday, and although I do not agree with him that we are necessarily confined to the four alternatives that the Secretary of State has laid down in his memorandum, I agree that, if there is any use in having a discussion today in this House, if there is any use in having a division on this issue, the division should take place on the issue as to whether the legislation should take place here under the fullest authority of the Central Legislature or whether any meticulous provision of a detailed character should be made in the Constitution Act itself. I frankly confess that

[Mr. K. C. Neogy.]

find it impossible to agree to any of these four alternatives laid down by the Secretary of State. The broad issue to which I am prepared to agree, and the issue which I and my friends are prepared to put to the vote on this motion, is that the Central Legislature of India shall have the fullest and freest liberty to legislate in this matter and that the Central Legislature of the future shall have the freest and fullest liberty of amending the Statute by which any such authority is set up. Sir, the first alternative refers to "adaptation". We have learnt what this adaptation means in connection with the Reserve Bank Bill. We are not going any longer to walk into that trap; and when I come to number 4, I find that there again the freedom of this House, or rather of the future Federal Legislature, to legislate on this subject is hedged round by the previous consent of the Governor General to be given in his discretion, which means, to be given under instructions from the Secretary of State. Those limitations, again, I cannot possibly advise this House to agree to. Therefore, I say that I am perfectly ready and willing to put this issue to the vote, namely, that beyond a bare mention of the Statutory Authority on the lines laid down in Section 126 of the South African Constitution Act, 1909, Parliament should have nothing to do in this matter, and that it must be left to the Central Legislature in India to determine to what extent they are to delegate their powers to the authority for the railway administration, in what manner certain details as provided in this report shall have to be provided for, with the fullest liberty again to the Legislature of India in the future to amend those provisions just as the changing circumstances and the experience of the country may demand and justify. Sir, my Honourable friend, Diwan Bahadur Mudaliar, maintained that once the Statutory Authority is set up, the Secretary of State is wiped out of the picture. I do not know whether he meant it as a kind of general statement or whether this has particular reference only to the question of recruitment to the services. Sir, if I were to agree to either of the two alternatives that he recommended for the acceptance of this House, namely, alternative number one and alternative number four of the Secretary of State's memorandum, the Secretary of State pops up like the Jack in the box whenever he chooses to do so. I do not find that the Secretary of State is effaced in the manner in which my Honourable friend thought that he is.

Sir, I should like now to pass hurriedly through the various provisions of the sketch proposals. The first paragraph says that the control of the policy shall continue to be in the Federal Government. Now, Sir, the first test of the control is, who appoints the Authority, and who dismisses it. I find that the Secretary of State has not accepted the almost unanimous recommendation of the Members of the Central Legislature that the Central Authority shall be appointed by, or rather on the advice of, the Federal Government itself. If the Central Authority really is to be controlled by the Federal Government, it is essential that the entire authority, i.e., all the seven Members, who constitute that Authority, must be appointed by the Federal Government and must be liable to dismissal by the Federal Government. That is a fundamental proposition to which I invite this House to give its definite assent in this motion. Now, under these proposals, as accepted by the Secretary of State, not merely three Members of the Authority out of seven have to be nominated by the Governor General acting in his discretion, but the President of the Authority himself shall be appointed by the Governor General. And we may take it that the

President will be one out of the three nominees of his; that is to say, he nominates the President and he nominates two ordinary Members. So that, here, there will be practically an equality of votes, the President evidently having one more vote than his colleagues whenever there is a tie.

Mr. N. M. Joshi (Nominated Non-official): Only if somebody is absent. It is only in the case of an equality of votes that the President can have the casting vote.

Mr. K. C. Neogy: It is always possible to get an amiable Member on the other side to vote with the nominees of the Governor General. After all, the Governor General will still continue to be the fountain of honour.

Then, Sir, what is more, the President of the Authority shall have the right of access to the Governor General. I should have very much liked my Honourable friend, the Diwan Bahadur, to explain what is meant by this right of access to the Governor General. We are told that this Authority shall be subject to the control of the Federal Government. Not merely that, but whenever the Minister of Communications chooses, he will have the right to be present at the meetings of this Authority and preside at such meetings though he will have no vote. But what is exactly the meaning of the President of the Authority having access to the Governor General? That is a point on which I should like to be enlightened by either Mr. Joshi or Mr. Ranga Iyer when they get up to speak.

Then, we come to a question which was raised by my Honourable friend, Diwan Bahadur Mudaliar. He said that he deliberately opposed the idea of the Minister in charge of Communications presiding over this body. But I find in a speech that he made on the occasion when we discussed the White Paper, that he very much wanted,—if I have read his speech correctly,—a provision to be made more or less on the lines of the South African Act. He quoted section 126 of the South African Constitution which says:

"Subject to the authority of the Governor General in Council, the control and management of the railways, ports and harbours of the Union shall be exercised through a Board consisting of not more than three Commissioners who shall be appointed by the Governor General in Council and a Minister of State who shall be Chairman of the Board."

Then he wanted to know as to whether the British Government were contemplating such a provision in the Constitution Act, and it seems to me that he would have been satisfied if an answer in the affirmative could be given to him on that point; and he added, that once assured in this manner, he did not care whether this legislation took place here in India or in England. Some advance has been made by my Honourable friend so far as that position is concerned, and I am very glad to have him on the question of legislation with me; but, with regard to the other point, as to whether the Minister in charge shall be the President of this body, I am afraid he has gone back on his original opinion . . .

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): May I say that that is entirely due to the information that we had regarding the working of the African system?

Mr. K. C. Neogy: I am very sorry that we had no information given to us by my Honourable friend on that point: we have to depend upon whatever information is available to us in published documents.

[Mr. K. C. Neogy.]

The next point that arises is as regards the dismissal of the Authority. The provision in this sketch proposal is that any Member of the Authority may be removed from office by the Governor General in his discretion, if, in his opinion, after consultation with the Federal Government, there is sufficient cause for such action. It is worded very carefully; but this authority to remove is vested in the Governor General, irrespective of the fact as to whether the Member concerned was his own nominee or had been appointed by the Federal Government. That is one point that emerges out of this. The other point is that all that the Governor General is expected to do is to consult the Federal Government. Then he decides on his own responsibility entirely. He may absolutely override the advice of the Federal Government in the matter. Here, again, we find that not merely is a large proportion of this body going to be appointed by the Governor General, but the entire body will be absolutely at his mercy and the entire body will be liable to be sent away whenever the Governor General chooses. That certainly does not make for control being continued in the Federal Government. Apart from this Statutory Authority, we have the Railway Executive consisting of a Chief Commissioner, who will be appointed by the Railway Authority: the Railway Authority will be almost half and half representative of the Governor General on the one hand and of the Federal Government on the other. This mixed body appoints the Chief Commissioner, whose appointment, again, must be subject to the confirmation of the Governor General. The Governor General is not content with merely nominating almost half the Members of the Authority; he must have a final say in regard to the appointment of the Chief Executive. That is the position

Mr. N. M. Joshi: His discretion is not mentioned here.

Mr. K. C. Neogy: "subject to confirmation by the Governor General". It is for my Honourable friend to explain what is the meaning of this Governor General. Is the Governor General expected to act at his discretion, which, as explained in the White Paper, means under instructions from the Secretary of State? Or does it mean the Governor General acting on the advice of his Ministers? It is for my Honourable friend, Mr. Joshi, to explain the point

Mr. C. S. Ranga Iyer: I can easily tell my friend, Mr. Neogy, that as a lawyer he ought to know and he knows as he has suggested, that whenever it is not explicitly stated *on the advice of the Federal Government*, it means the Governor General acting in his discretion.

Mr. K. C. Neogy: I am very glad to hear that, because it is only in confirmation of what my Honourable friend, Mr. Ranga Iyer, and Mr. Joshi have put in a foot note to this provision.

The next Executive Officer, the Financial Commissioner, will be appointed by the Governor General on the advice of the Federal Government. Here we have another authority appointing the second in command; that is to say, the Federal Government will have their own nominee in the person of the Financial Commissioner, very likely to look after the financial interests of the Government. Does such a body make for harmonious working? In the first place the supreme Statutory Railway Authority will represent half and half the Governor General and the Federal Government. Then the Chief Executive will be more representative of the

Governor General, having regard to the fact that his appointment will have to be confirmed by him at his discretion. Then we introduce the second in command as the representative of the Federal Government. I really wonder whether such a system is really going to work smoothly and in the best interests of the Railway Administration. Then a pious expression of hope is made in paragraph 5—"in the exercise of the control vested in it, the Railway Authority will be guided by business principles, due regard being paid to the interests of agriculture, industry and the general public and to defence requirements". I really fail to understand what is *exactly* meant by business principles when they are tempered by so many considerations. Here again, I want to be enlightened by my Honourable friends, Mr. Joshi and Mr. Ranga Iyer, as to what exactly they meant when they laid down this as the principle which will guide the Statutory Authority, and how exactly these principles were to be carried out in practice and who was going to see to it that all these complicated principles were being duly observed in practice

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): My Honourable friend will find that when the agricultural question came up, we in the Punjab and the United Provinces had been demanding that the rates for wheat transport and for other commodities should be lowered, which is not directly in accordance with business principles; but, on other matters excepting this, the Authority will be guided by strictly business principles.

Mr. K. C. Neogy: I know that Punjab wheat stands on a special footing in these matters, and I am very glad that my Honourable friend, Mr. Yamin Khan, has explained this provision that what was meant was that the Punjab wheat shall be given a kind of preferential tariff

Mr. Muhammad Yamin Khan: And Bengal rice also!

Mr. K. C. Neogy: Thank you very much. It is really playing with a very important matter. If anything has baffled the ingenuity of railway authorities all over the world, it is how to prescribe the appropriate rates and fares which, while conforming to business principles, would advance the agricultural and industrial interests of the country. It is not so easily explained as my friend, Mr. Yamin Khan, thinks.

Now, Sir, we come to the question of voting:

"Revenue estimates will be submitted annually to the Federal Government, which will in turn submit them to the Federal Legislature, but these estimates will not be subject to vote. If the revenue estimates disclose the need for a contribution from general revenues, a vote of the Legislature will, of course, be required. The programme of capital expenditure will be submitted to the Federal Government for approval by the Federal Legislature."

As far as I can make out, what the London Committee intend to convey is this, that the railways shall, in future, so far as capital expenditure is concerned, be financed out of loans which will still continue to be secured on the credit of the general revenues of India, and not on the security of the railway property itself, that is to say, the Federal Finance Minister shall be responsible for finding money for carrying out the capital programme of the railways in future, and, therefore, Sir, the need for vote of the Federal Legislature for capital expenditure becomes quite obvious. Apart from that, if in any year the railway revenue is not sufficient to carry on the railway administration, there again the general tax-payer will be asked to put his hand into his own pocket and bring out additional money for the privilege of enabling the Statutory Railway Authority to run the railways

[Mr. K. C. Neogy.]

of India on his behalf. My Honourable friend, the Diwan Bahadur, was pointing out that, if you run your eyes through the list of amendments that appear on the order paper today, you will see that almost all of them relate to token cuts which seek to raise questions of principle alone; that this question of voting is not taken seriously by this House, and for that reason it does not very much matter whether we give up this privilege or not, because those very questions of principle shall continue to be debated in this House. Now, Sir, I am very much afraid that when the general debate comes up in a few days, my friend will again run his eyes through the list of cuts and say: "here we find nothing but token cuts, what is the use of giving any power of voting to this House because that has never been exercised, and that is not intended to be exercised". My Honourable friend, Sir, is a very keen student of parliamentary institutions, and I do not know whether he will oblige this House by saying as to when it was last that a substantial cut was made in the House of Commons when the estimates were before it. As far as my memory serves me, the only use which the House of Commons makes of debates on the estimates is to raise questions of principle exactly in the same manner as we do by means of token cuts. My Honourable friend will perhaps tell us as to whether in his conversations with his many friends, who are Members of the House of Commons, he has found any one who on that very ground would say that the power of voting supplies should be taken away from the House of Commons?

Sir, my friends opposite will bear me out when I say that though, as a result of past experience, they know that they can always count upon this House passing the demands which they put before it in their entirety, they do not feel quite comfortable when they come before this House for seeking our vote on their demands. It is a constitutional check of very great importance. Whether we in practice exercise the right of refusing supplies or not, the very fact that not a single pice of the votable supplies can be spent, without the formal sanction of this House, itself exercises a very great check upon the spending Departments of the Government. Shall I put it the other way? If, as my Honourable friend says, we, as a matter of fact, do not discuss anything but questions of policy, what is the necessity for taking away the power of voting from this House? Is the Federal Legislature of the future going to be any less reasonable than we are? Look at the Constitution which you are laying down for it. There will be 33 and odd per cent. States representatives, then there will be so many divisions, counter divisions and cross divisions among the rest. Is there any likelihood that the Federal Legislature at any future date will have the hardihood to refuse supplies? If such an occasion arises, certainly such action will be fully justified; if a House, constituted as it is going to be, were to refuse supplies, the supplies would certainly deserve to be refused on that occasion.

Now, Sir, connected with this question of voting is the question of the control, the *post mortem* control, shall I call it, exercised by the Public Accounts Committee which is a Statutory Body; and, along with the Statutory control exercised over the accounts by the Public Accounts Committee goes to some extent the control which is exercised by the Auditor General in respect of the audit of the railway accounts. Sir, take away this right of vote of this House, the Public Accounts Committee ceases to have that Statutory Authority to scrutinise the accounts of the railway system. And may I appeal to my Honourable friend, Mr. P. R.

Rau, to tell this House from his experience, as to whether he has not found, during the past few years when he has been attending the Public Accounts Committee on behalf of the Railway Department, that the control exercised by the Public Accounts Committee, although it is in the nature of a *post mortem* control has been very effective in the matter of checking abuses and extravagant and wasteful methods of the various railway administrations? Now, Sir, you are taking away that salutary control, because that is a corollary to the right of vote which this House possesses over the estimates of the railways. Not merely that. If my friends will go through the Statutory provisions regarding the Auditor General's functions, they will find that the Auditor General has got the right and the obligation to report irregularities of a certain character to the Public Accounts Committee. That part of the Auditor General's functions will cease to operate. . . .

Mr. N. M. Joshi: Why do you say so?

Mr. K. C. Neogy: It is for my friend, Mr. Joshi, to explain as to how he is to maintain the Statutory control of the Public Accounts Committee with which, to a certain extent, goes the control of the Auditor General.

While I am on the point of the Auditor General's control, may I just refer briefly to paragraph 9 of the sketch proposals:

"The Railway Authority will at all times furnish the Federal Government with such information as that Government may desire, and will publish an Annual Report and Annual Accounts. The accounts of the State-owned lines in British India will be certified by or on behalf of the Auditor General."

Here, again, I must ask for a little enlightenment from my friends, Mr. Joshi and Mr. Ranga Iyer, as to what exactly is meant by the word "certified". Are they contemplating to put the Auditor General on the footing of a private firm of auditors with reference to the Railway Accounts? Is the function of the Auditor General to be confined merely to certifying that the accounts have been properly and correctly maintained? If that be so, I desire to point out that under the Statutory rules which govern the duties and functions of the Auditor General, the Auditor General is expected not merely to check the expenditure with reference to rules of sanction, and so on, not merely to carry on a technical check, if I may describe it by that expression, but it is open, nay, it is incumbent upon the Auditor General and his representatives to exercise what are called higher audit functions, that is to say, to tell the Department concerned that they have not been prudent in undertaking a particular expenditure. May I read out one of the canons which are to govern the audit of the Government expenditure by the Auditor General?:

"The Auditor General shall, without prejudice to his other audit functions, be responsible that audit is conducted with reference to the following canons, namely. . ."

—The first canon is very important from the point of view of my present submission—

"Every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money."

I do not want to go through the other canons, but is the Auditor General contemplated to still continue this particular function? Will he still be entitled to point out that the Railway Authority has gone wrong

[Mr. K. C. Neogy.]

in undertaking a particular expenditure, that a particular expenditure was not justified on the results, that an expenditure had been undertaken by the Railway Authority by contravening this particular canon which required every Government officer to be as careful in these matters as he would be in respect of his own private funds? The accounts will be certified by the Auditor General, say my friends! I should like to know what is exactly meant by "certified", and whether these considerations were borne in mind by them when they penned this recommendation.

Diwan Bahadur A. Ramaswami Mudaliar: Not an arithmetical certification.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should conclude in five minutes.

Mr. K. C. Neogy: Then I come to the question of recruitment. My Honourable friend, Mr. Mudaliar, in explaining clause 8 of the Sketch Proposals, referred to this sentence:

"In its recruitment to the railway services, the Railway Authority shall be required to give effect to any instructions that may be laid down to secure the representation of the various communities in India."

And my Honourable friend, Mr. Sen, raised the question as to who was expected to lay down these instructions. My Honourable friend, the Diwan Bahadur, not only said the Federal Government, but he further maintained that the Secretary of State had absolutely disappeared once the Railway Authority was set up, so far as this particular point was concerned. This is what he said:

"The Secretary of State does not enter into this question at all. He is wiped out of the picture the moment the Railway Authority is constituted."

I do not know whether any decision has been taken in England as yet on the question whether the Secretary of State will still continue to recruit for the railway services in India, because this is what we find at page 28 of the White Paper:

"The question of the continued recruitment by the Secretary of State to the Superior Medical and Railway Services is under examination. His Majesty's Government hope to submit their recommendations on this matter later to the Joint Select Committee."

I do not know whether the Joint Parliamentary Committee had any occasion to discuss this question and whether any decision has been arrived at.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): It had an occasion to discuss it on the very last day of the Conference, but no decision was arrived at except a very provisional one which was supplemented in a separate note issued by the Secretary of State.

Mr. K. C. Neogy: Is it, therefore, correct of my Honourable friend, Mr. Mudaliar, to say that the Secretary of State drops out of the picture so far as this question of recruitment is concerned? All I find in this clause is that in making recruitment, so far as it will be permissible for the Railway Authority to make recruitment, it shall give effect to the principle of communal representation. That is all that this sentence means so far as I can see.

Lieut.-Colonel Sir Henry Gidney: That is all.

Mr. K. C. Neogy: What happens then to the question of Indianisation? Is it open. . . .

Diwan Bahadur A. Ramaswami Mudaliar: Please read the next sentence.

Mr. K. C. Neogy:

"In regard to the framing of rules to regulate the recruitment of the Superior Railway Services the Public Service Commission shall be consulted."

I am very much obliged to my Honourable friend for having pointed that out, because that brings me to another point. What functions are we contemplating for the Public Service Commission in regard to the recruitment of Indian officers in so far as they will be recruited in India and not by the Secretary of State? The Public Service Commission shall be consulted in regard to what? In the framing of rules and not in the actual recruitment as is the case at the present moment! I am very much obliged to my Honourable friend for having drawn my attention to that. I find that my Honourable friends, Mr. Joshi, Mr. Padshah and Sir Muhammad Yakub, took the view that the Public Service Commission should be consulted in regard to the recruitment, not in regard to the framing of rules only, and that Sir Muhammad Yakub states that the Commission should be utilised in making the appointments as far as is practicable. That shows that my Honourable friend, Mr. Mudaliar, is not in agreement with his colleagues, because I do not find his name in this minute of dissent and that he is content to leave the framing of rules alone to be done by the Statutory Authority in consultation with the Public Service Commission, and my Honourable friend has not obliged this House by explaining the manner and the method of recruitment which he contemplates to be carried out when the Statutory Railway Authority is set up.

Lieut.-Colonel Sir Henry Gidney: If I may interpose, I believe that the consensus of opinion at the Joint Parliamentary Committee was that, the only Services in which the Secretary of State would be likely to exercise any control as regards recruitments, etc., would be the Security Services, that is the I.C.S. and the I.P.S., and that all other Services would be at the discretion of the Government of India and that the Public Service Commission would be the appointing, recruiting and controlling authority.

Mr. K. C. Neogy: I am very much obliged to my Honourable friend for having interpreted the Secretary of State in this House.

Lieut.-Colonel Sir Henry Gidney: No, what I say is a fact.

Mr. K. C. Neogy: I know that there is a technical interpretation given to that expression, "Security Services". I know this also that in his evidence before the Islington Commission,--and I have the advantage of speaking in the presence of a member of that Commission,--Sir Thomas Ryan, who was then Mr. Ryan, Secretary of the Railway Board, said:--

"The Railway Board, besides being a business concern, also were a necessary factor in maintaining the security of the country both from a military point of view and from the point of view of internal security."

[Mr. K. C. Neogy.]

While giving that evidence, he was justifying the present composition of the higher services of the railways. I should very much like my Honourable friend, Sir Henry Gidney, to say as to whether that principle is going to be departed from by the Government, that is to say, that they will no longer consider the Superior Railway Services to have anything to do with the security, military or otherwise, of this country.

Diwan Bahadur A. Ramaswami Mudaliar: Did the Government ever accept that principle?

Mr. K. C. Neogy: The Government have always been acting on that principle. I wish my Honourable friend were a little more wide awake. That accounts for the large proportion of a certain favoured class of people in the higher services of the railways.

I have exhausted the time at my disposal, and I should like to conclude by repeating what I said towards the beginning of my speech. If this motion goes to a division, I for myself and my friends would consider it to mean that we want the fullest freedom to be preserved for this House to legislate in whatsoever manner it likes for the purpose of setting up a managing agency system, call it a Statutory Railway Authority or by whatever name you like, and that the unfettered right of the successors of this House shall be maintained in regard to the amendment of such a Statute. It is in that sense that I and my friends will take a vote upon this question. (Applause.)

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Although I was not a member of the London Committee that dealt with the question of Statutory Railway Authority, I should like to say a few words as to what happened. I was a member of the Delegation, and the question was brought up before us. Honourable Members will find that in the Joint Memorandum of the British Indian Delegation, a definite recommendation has been made that the Statutory Railway Authority should be set up by legislation of the Central Legislature. Raja Bahadur Krishnamachari, I think, was rather hard upon the members of the Committee when he complained that there was no mention in these proposals before us, of the authority which was to set up the Board. It has been explained, and, I believe, correctly, that that question was taken out of the purview of the London Committee on the ground that the Joint Parliamentary Committee had seized of the entire question of legislation on the future Constitution. If that was so then it did not lie with the London Committee to make any proposal that the necessary legislation should be made by the Central Legislature and not by Parliament. That, to my mind, is the real issue before this House at the present moment, viz., whether legislation setting up a Statutory Authority should be by the Indian Legislature or by Parliament, and I entirely agree with my Honourable friend, Mr. Neogy, that we should be responsible for setting up the Railway Authority, such as is proposed. It is not necessary to give at length the reasons for this claim of ours. As has been pointed out, we have to raise the revenues, it is the Central Legislature that is responsible for the money that is to be spent by the railways and, therefore, it is right that this House, whether the present Legislature or the Federal Legislature, which will come into being afterwards, must legislate on the subject. I believe, there is complete agreement as regards this point on this side of the House. The members of the London Committee,

one after another, I mean those who have already spoken, are agreed that the needful legislation should be enacted in India and not in England. That is really the point we have to decide upon in this debate. If that is agreed to, then it seems to me, questions of detail do not really arise for discussion at the present moment. I admit that the criticisms which have been levelled at the sketch proposals by my Honourable friend, Mr. Neogy, are very searching and very instructive, but if we are claiming the right to legislate for the Railway Authority of the future, it must be left to the Legislature when it takes up the matter to frame proper proposals for the purpose.

Raja Bahadur G. Krishnamachariar: What is the point in your London Committee?

Sir Abdur Rahim: I am coming to that. The London Committee has made certain suggestions as regards the constitution of the Railway Authority and its functions. Now, that is a matter for the Legislature when the proper time comes to consider and to consider very carefully as to how far they are going to accept those proposals. If we were asked at the present moment to accept everything that is there, undoubtedly the proposals are open to criticism, but these are mere skeleton proposals, and it must be open to the Legislature, whenever it legislates on the point, to review the entire position and to come to a proper conclusion as to how far it will accept these proposals as the principles on which legislation should be based. The paper that we have before us is not very explicit on all the points. It could not well be. The subject is very extensive and you would not expect that, in the few pages that are before us, we should have all the important matters, that require consideration, dealt with properly. Take the question of control of policy which the London Committee unanimously agreed should be vested in the Federal Government and the Federal Legislature. That is clearly laid down. As regards what comes within the scope of such control of policy and how that control is to be exercised, that is a matter which requires very careful consideration. I suggest that that has to be examined in detail and definite provisions have to be made as to how the Legislature is to exercise its control, what opportunities it will have for exercising adequate control over the policy of the Railway Authority. But we have got the principle laid down that the Federal Government, and the Federal Legislature will control, for instance, the policy of rates and fares and other similar questions of policy that may arise.

Now, it seems to me that it has been very forcibly pointed out by Mr. Neogy, that if the Budget is not to be subjected to vote, the opportunity for laying down the policy for railway administration will be very meagre indeed. It is perfectly true and cannot be denied that presentation of the Budget is the proper occasion when the policy of an administration is reviewed, and that is done by means of what we call "token cuts". I do not know that it was intended that even token cuts should not be allowed. In any case, so far as the members of the London Committee are concerned, from what we have heard from them, it was surely their intention, and, I believe, they are agreed now, that full opportunities must be given for discussing the policy of the Railway Administration. If that is so, it really becomes a matter of detail in what form that opportunity should be given. Token cuts are the proper form and the ordinary procedure

[Sir Abdur Rahim.]

in such cases, and I do not know that the members of the London Committee ever intended that that power should not be available to the Legislature.

Mr. B. Das (Orissa Division: Non-Muhammadan): They are silent.

Sir Abdur Rahim: Now, as regards the control of administration; in a matter of this sort, it must be very difficult to distinguish in many cases whether it is a matter of administration or a matter of policy. I do not think that the members of the London Committee contemplated or agreed that the Legislature should have no say at all as regards the administration. It seems to me that that could not have been their intention, though no doubt the proposals are worded in very general terms and may be liable to that interpretation. If we are free to legislate on this point, we can clear up the position and we can lay down that, as regards day-to-day administration, the Railway Authority should be the sole authority and not the Legislature. To that extent we are all agreed; the day-to-day administration is not to be interfered with. But I do not think the members of the London Committee could have agreed that no question relating to the administration of railways should be debated upon in this House. Supposing it happens that there have been a series of accidents on a certain railway line. Would this House be precluded from discussing that? Certainly not,—and, it may well be argued that questions arising out of a series of accidents occurring on a particular railway relate to matters of administration and not of policy.

Mr. C. S. Ranga Iyer: If you will read paragraph 2—under questions of public interest, certainly the Honourable the Leader of the Opposition is right, the House will always discuss such things.

Sir Abdur Rahim: Take, for instance, the unpunctuality of trains. That is a matter of administration and it surely could not have been intended that it should be taken out of the purview of the Legislature. No responsible Legislature would allow that. Otherwise, it would mean that the Legislature would have nothing whatever to say as to how the railways are administered. That could not have been the intention of the London Committee. I do think that, in many of these matters, the questions which will arise will have to be considered by the Legislature, who will deal with them.

Now, as regards certain broad questions of a constitutional character, which affect the entire constitution of India, I do hope the House will be given full opportunity to discuss the joint memorandum of the British Delegation regarding the future Constitution of the country. The House will then be in a better position to judge in what way some of the provisions suggested in these sketch proposals bear upon the future Constitution of the country. Until then, it will be very difficult for Honourable Members to understand some of the proposals. At present I say that the only issue before the House is whether this Legislature should legislate and set up the future Railway Authority or whether Parliament is to do that. The four alternatives mentioned by the Secretary of State are there and I need not read them out to the House, but it seems to me that it could not have been intended by those Indian Members of the Legislature, who went to London, that the sketch proposals, should,

as they stand, be accepted as the principles upon which future legislation must be based. I take it, what was really intended—at any rate that is how I read these proposals—was that it would be better for the administration of the railways if its day-to-day administration were entrusted to the hands of a Statutory Body. We have at present a Railway Board, and what is wanted is that we should pass a Statute creating a Railway Authority and entrust the administration of the railways to that body. That is really the gist of the present proposals. That proposition, I believe, will be accepted generally by the House. If that be so, then, as regards the rest, that is a matter to be considered at the time when the appropriate legislative proposals be placed before this House.

Mr. F. E. James (Madras European): Mr. President, I do not wish to discuss the details of the report as those details have already been the subject of adequate discussion and will probably continue to be the subject of further discussion as between those who went to London and those who stayed behind. The only purpose of my intervention at this stage is to make clear the attitude we have always taken to the question of legislation in connection with the setting up of a Statutory Railway Authority. I think it was I who had the privilege of saying last year in this connection that we saw no objection to this House having the power to set up by legislation this Statutory Railway Board subject to the inclusion in the Constitution Act of a clause embodying the principles to be followed in such legislation. In other words, we agreed to the alternative mentioned as alternative No. 3 in paragraph 5 of the Report of the London Committee, and I think Sir Abdur Rahim, in what I may be permitted to describe as the very reasonable and statesmanlike attitude that he was prepared to take, indicated that that is the line he would be prepared to take.

Now, Sir, I should like to impress upon the House, if I may, the importance of achieving an agreement on this vote, if possible. I understand that the proceedings of this debate are to be forwarded to the Secretary of State or, at any rate, that is our suggestion to the Honourable the Commerce Member. Therefore, if this debate goes forward with some general agreement as far as legislation is concerned, surely it is bound to have very great effect upon the consideration which His Majesty's Government will shortly be giving to the matter. My Honourable friend, Mr. Neogy, in a very powerful speech, put forward a fifth alternative which is not included in the Committee's report. As far as I understood his alternative, it was that this House should have the right and power to legislate and that its successors should have the right and power to legislate without any reference to a Constitution Act and without any reference to any reservations which might be placed hereafter in the hands of the Governor General.

Mr. K. C. Neogy: May I just explain what I meant? In one part of my speech I referred to a section in the South Africa Union Act and I said that the House will be perfectly right and willing to have a section like that in its new Constitution Act, the rest being left entirely to the discretion of the Central Indian Legislature for legislation.

Mr. F. E. James: I find very little difference, Sir, between that attitude and the proposal put forward as alternative No. 3 in paragraph 5 of the report. It may be that there may be some difference of opinion as to the

[Mr. F. E. James.]

number of principles that should be enunciated in the Constitution Act but if my friend, Mr. Neogy, really is urging that legislation should be left to this House subject to the enunciation of general principles in the Constitution Act, then surely there is no difference of opinion between us. What I wish to urge is that, if possible, this House should put on record as its opinion that legislation so passed should be subject to the laying down in the Constitution Act of general principles as to the formation of the Board. That is the line which we take and that is the proposal which we should support. We shall not be able to support any proposal which would, in fact, fetter the discretion of Parliament at this particular juncture in laying down the general principles on which the Board should be organised.

Mr. K. C. Neogy: They may not be the general principles to which we might agree. There is a world of difference as to what are called "principles" by different people.

Mr. F. E. James: It is impossible to say precisely what they should be, but the general principles would be those sketched in this report.

Mr. K. C. Neogy: No, no.

Mr. F. E. James: My Honourable friend has no justification for saying that that is not going to be the case. I have as much justification for saying that that will be the case as he has for saying that it will not be the case.

The only object that I had in rising to speak at this moment was to remind the House that a vote on this question, if it is to be of value, should be a vote with as much unanimity as possible. We are prepared to support the alternative which I have mentioned, but we cannot support the alternative that Mr. Neogy has enunciated as far as I can understand it. The legislation we advocate is the legislation that I have referred to which is mentioned on page 2 of the report. We cannot at this stage suggest that Parliament shall have no right to put into the Constitution Act a clause laying down the fact that there should be a Statutory Railway Board and that it should be formed on a certain definite principle. If Mr. Neogy presses his vote, we shall have to vote against it.

Mr. K. C. Neogy: I am not at all afraid of that.

Mr. F. E. James: I am quite sure you are not. On the other hand, if we can achieve something unanimous, the effect of this on His Majesty's Government will be more satisfactory than if we present a divided vote.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will probably be faced with some difficulty when the actual question is put. Honourable Members no doubt realise that, in these token cuts, the words within brackets are mentioned just to give an indication to the Government and to the House as to the subject which the Mover of the cut motion would like to discuss on that particular motion, and when the question is actually put, in fact those words are not mentioned and they do not form part of the question. Of course, each Honourable Member may have in his own mind a particular aspect of the general question on

which he is voting, but the Chair can realise that in this particular matter there would be considerable difficulty. It is necessary, if possible, to arrive at the greatest measure of agreement amongst the various Parties on this point, so that, if the report is to be forwarded to the Secretary of State and to the British Government and they are to be guided by what has been expressed in this House in framing their report, the House might have indicated something definite on which the British Government might go. The Chair will have no objection to put the question with a formula if there is general agreement. The Chair has been thinking about this matter and it just suggests, as a tentative proposal, the following formula which the Leaders of Parties might discuss during the Lunch interval. It is this:

"That legislation, both initial and amending, regarding the constitution and functions of the Statutory Railway Authority, should be by the Central Legislature in India."

That is a formula which might probably afford the greatest measure of agreement and the Chair thinks the various Leaders of Parties might discuss over the matter, so that, if there is a general agreement on that point, the Chair will put the question in that form.

Mr. N. M. Joshi: Mr. President, I rise to support the proposal made by my Honourable friend, Mr. Neogy, that the legislation as regards the establishment of the Statutory Railway Board should be passed by this Legislature, and this Legislature should possess also full powers as regards the amendment of that legislation. My Honourable friend, Mr. James has made a proposal in order that there should be unanimity. I feel for the proposal made by Mr. James, unanimity is not necessary at all, because Mr. James is suggesting that we should leave to Parliament the general principles of the Statutory Railway Board, and we should request Parliament to leave the filling of the details to us. Mr. President, is there the least doubt or suspicion in any Member's mind that the details with regard to the Railway Authority will ever be passed by British Parliament? The British Parliament, even if they have the desire to legislate on the details of the Statutory Railway Board, will not have the time for it. Therefore, there is no point in saying we should go to Parliament with our Resolution and tell them that they should legislate on the principles of the Statutory Railway Authority and they should be kind enough to leave the details to us. If the Parliament wants to do something, they only want to legislate on the principles concerned. Therefore, unanimity on that proposal is not necessary. If unanimity is desirable, it should be on the point that the Indian Legislature should possess the fullest power as regards the legislation and the amending of that legislation. I, therefore, feel that, if unanimity is possible, let us have it on that proposal. But if unanimity is not possible, let us have a division on the proposal of Mr. Neogy, and, whatever may be the voting, it should be sent to the British Parliament.

Mr. President, there is some difficulty which I personally feel in discussing this question. My Honourable friend, Mr. Neogy, 1 P.M. appealed to me several times that I should explain the report of the Committee that met in London. It is true that I was privileged to be a member of that Committee. But I am one of the unfortunate members who had to write the largest number of dissenting minutes. Still,

[Mr. N. M. Joshi.]

I shall try my very best to put before this House my own views on these proposals. I quite realise the apprehension which some Honourable friends feel in transferring or delegating the authority to another body in this matter. This hesitation is felt by all people. When we ask the British Government to transfer their authority to us, they feel some hesitation as to how we shall make use of that authority. Similarly, when the Legislature is asked to part with its power in favour of some other organisation, it is quite natural that the Legislature should feel some hesitation and some doubt as to how that other organisation is going to utilise that power, but the Legislature has to make up its mind on the main principle, and that principle is this. Is the Legislature willing to delegate its authority in part or in whole to another organisation in the matter of our railway management? Let Honourable Members make up their mind on that principle, let them fight over that principle if they like, but, if they once make up their mind on that principle, whether it is desirable to delegate their authority to some other body or not, then it will be easier for them to understand the implications of this report. My own personal view is this, that for the proper management of our railways, it is a desirable thing to have another organisation which will be endowed with authority by the Legislature. That authority to be established should be representative of all the important interests of this country. If we could devise an organisation of that kind, I, for one, will have no hesitation at all in transferring the fullest power to that Authority. What is, therefore, necessary is this. We should see whether the Authority which we are going to establish is an Authority which is likely to command our confidence (Hear, hear), and if that Authority commands our confidence, let us not cavil at the fact that we are not going to have the power to vote on Budget or we are not going to have the Public Accounts Committee. I, therefore, feel that what the Honourable the Leader of the Opposition said was right that, if we have the fullest power to pass legislation, if we have the fullest power to amend that legislation, then certainly the question as to the form of the Statutory Railway Board is a minor one. You will naturally then ask, what was the use of the Committee that met in London. The use of the Committee that met in London was to make suggestions on which the Statutory Railway Board should be established by this Legislature. As regards the suggestions made by the London Committee, I would say this, that the Members of this Legislature almost unanimously demanded that the Members of the Statutory Authority should be appointed by the Federal Government itself. I must say here that it is a matter of great congratulation to us that we were almost unanimous on that point. The second point in this connection is the authority to remove the Members of the Statutory Railway Authority. On this point I want to say a word of personal explanation. On this point, I have not written a minute of dissent, and the reason is this, that I felt that, in a matter of this kind, one must be always ready to make a compromise. I felt that, if Government would accept the proposal made by the Members of the Legislature, namely, that all the Members should be appointed by the Federal Government, then, I, for one, would make the compromise and be ready to give the power of removing the Members of the Railway Authority in the hands of the Governor General. Unfortunately from the memorandum of the Secretary of State, it is clear that the Government are not willing to accept the recommendation made unanimously by the Members of the

Legislature, that the Members of the Railway Authority should be appointed by the Federal Government. If Government are not willing to accept that recommendation, I am free now definitely to say that the power of removing the Members of the Railway Authority should also be in the hands of the Federal Government. Mr. President, this power is absolutely necessary to be put in the hands of the Federal Government, and the reason is this. Who is ultimately responsible for the good or for the ill of the Indian railways in this country? This report makes it quite clear that if there are losses on account of the working of the Indian railways, then those losses will have to be made good by the Indian people and by the Indian Legislature. Supposing that the Railway Authority, which we establish, make losses for one year or for two years, the Federal Minister asks the Railway Authority to make certain changes in their administration and the Railway Authority refuse to do that and continue incurring losses, is any body going to maintain that when the Railway Authority refuse to make changes as suggested by the Federal Minister and on account of their refusal to make changes in their administration, they incur losses, the Legislature should be asked to pay for those losses? Therefore, anybody who thinks over this matter will agree that if the Legislature is to be responsible for voting the money to meet the losses to be incurred by the railways of India, then the power of removing that authority must remain also with the representatives of the Legislature. (Hear, hear.)

There are some other points in connection with which my Honourable friend, Mr. Neogy, asked me a few questions. I do not think I need give him replies to all the questions, but he asked a question as regards the authority of the Auditor General. I feel that the Auditor General will possess all the authority over the railway accounts which he possesses over other accounts. It is true that this report does not make everything clear, but, when we were drafting the report, we were not drafting a Statute, and when we said in the report that the accounts of the Railway Authority will be certified by the Auditor General, what we meant was that the Auditor General will possess over railway accounts the same authority which he possesses over other accounts.

There is one more point on which I should like to say a few words, and that point is this. We are all generally agreed that there should be an organisation for the management of our Indian railways, but the question is, what sort of organisation it should be. My own view is that that organisation should be so composed that all the important interests will be represented on that organisation. (Hear, hear.) It is true that the report mentions the qualifications which the Members of the Railway Authority should possess, but it is not enough that these Members should possess those qualifications. What is necessary is that these Members, who will form the Railway Authority, should be so appointed that all the important interests in the country shall be represented on that Board. Take, for instance, the interest of agriculture which is one of the largest interests in the country, and that interest should be represented on that Board. Similarly, the interest of the railway employees should be represented. Take the composition of the London Transport Board which has been recently formed to manage the transport system in the City of London. We shall find that the Government of Great Britain have taken steps to put on that Authority a distinguished Member belonging to the Trade Union movement. I, therefore, feel that, when this Statutory Board is constituted, we must see that that Board represents all the important interests in the country. Secondly, I feel that if the Board is to be a small

[Mr. N. M. Joshi.]

one as is recommended, that Board should consist of whole-time people. If the Board is to supervise the working of a large railway system, the Board must meet from day to day; otherwise the appointment of this Railway Authority, instead of doing any good, may do harm, and our railway administration may be neglected.

Sir, let us remember that whatever may be our intentions in creating the Railway Authority,—and I feel that our intentions are quite good and we all feel that by the appointment of a Railway Authority there will be better supervision on the railways,—sometimes our intentions are not given effect to. The other day I mentioned the establishment of the Central Advisory Board and the Honourable Member in charge of the Department of Railways stated, and he was very proud to state to the House, that that Board met twice in a year. I do not know how many hours of work they did during those two days. Sir, if this Statutory Authority is going to meet twice or three times a year, let us know that now, because, if the Statutory Authority does not meet regularly throughout the year, it is much better that we should preserve our present system and discuss railway matters for at least a week. That will give us better results, because we discuss the railways now for at least a week; but if the Statutory Railway Authority is not going to sit in continuous session in discussing railway administration, it is much better that that Authority should not be established. I, therefore, feel that we should make it absolutely clear that the Members of the Statutory Railway Authority should be whole-time public servants and must be willing to give all their time for the railway management, and for nothing else.

Sir, I do not wish to take any more time. I feel that on the whole the House will serve the interests of the country by voting for the motion of my friend, Mr. Neogy.

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 Sir Shanmukham Chetty) in the Chair.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair would remind the House that this debate must conclude at 3-15 as originally arranged, and the Chair proposes to call upon the Honourable the Commerce Member to give his reply at 3 o'clock. Honourable Members will keep that in mind when they are speaking.

Mr. C. S. Ranga Iyer: Sir, I must say I am in a very happy mood, especially after the progress of the debate in the direction in which it has progressed. I am very much in trouble owing to a toothache, and I wish I had the same energy as in 1932, when I opened the debate on this particular question: then I could have spoken in louder voice, but fortunately the occasion has not arisen for raising the voice. On the contrary, I should lower my voice, if possible make it as low as the voice of the Leader of the Opposition who gave us a very wise lead, worthy of the career of responsibility that he has behind him. He did not say "Reject the Railway

Board". On the contrary, he said "Accept it". That is also the attitude that my friend, the Leader of the Democratic Party, has taken up. He was a doubter, rather a frivolous doubter, in 1932, and he said, while replying to me on this identical motion:

"I do not mind telling the House that my attitude towards its proceedings for some time has been one of amused indifference and for very good reasons. . . . It is quite evident that the people outside this House do not take us seriously."

That was in 1932; and the very fact that, from an attitude of amused indifference, he has risen to one of constant vigilance, and, from an attitude of not taking us seriously, he has taken us more seriously than we expected him to take, I can say that the cause which I supported on that occasion has the support today of the Leader of a greatly radical party in this House, the Democratic Party, namely, the setting up of a Railway Board. On that point, it is a matter, for us, of supreme satisfaction that the House has spoken with one voice and one mind. We want a Statutory Railway Board; the dispute is as to what form the Statutory Railway Board should take; what powers this House or the Statutory Railway Board should have or should not have. I can understand also the doubts as to whether this House should legislate in the matter or the British Parliament. I was asked by my friend, the Secretary, probably now of the Democratic Party, Mr. Gaya Prasad Singh (Laughter): "Why is it that you did not make it quite clear in your report that it should not be Parliamentary legislation?" Diwan Bahadur Ramaswami Mudaliar has conclusively answered him why. He said "the limitations under which we worked". He also said how by one member on behalf of the rest of them the matter was prominently placed on the very first day before the Secretary of State, and I would leave it at that at present. When the Committee had another Committee over it, it was only a sub-committee so to say—an expert Committee of the Joint Select Committee; and when we were asked to work within certain limits, surely we cannot be blamed if we did not put in a note of dissent: it was not within our province to put that note of dissent . . .

Mr. B. Das: It was not within your power to add any note of dissent.

Mr. C. S. Ranga Iyer: I say, once it is ruled by the Chairman of a Committee, you have two alternatives left—either to perform what is known in this country as pedestrian politics (Laughter) or to bow to the Chairman's ruling and continue your work. We were not treating that Committee with indifferent amusement; we were rather serious-minded people, working with very serious-minded men; and in this connection I must give a rich tribute to Sir Samuel Hoare, the Secretary of State, who gave to us every facility necessary to form our conclusions and who gave to us, within the prescribed limits, the fullest opportunity for discussion and dispute (Applause), and nobody was more disputatious than Diwan Bahadur Ramaswami Mudaliar or Mr. Yamin Khan. Our Muslim friends fought much better than we Hindus: they were put in the forefront of our battle; it is they who performed all our work first; we were only the sappers and miners of the Muslim army in this Statutory Committee. (Laughter.) I must also here refer to the work that was done by the London experts. I must express my gratitude and the gratitude of every one of the Committee for all the support that they gave to us (Hear, hear), to clarify our position, to define our position, and even to write our notes of dissent. Mr. Joshi said that he has written the largest number of them. I am not good at arithmetic, but all of us have competed with him in the writing of marginal

[Mr. C. S. Ranga Iyer.]

notes; we do not call them notes of dissent—no—they are marginal notes. We wanted the Committee report to be unanimous, and it is unanimous on one fundamental point. That is the establishment of a Statutory Railway Board. (Hear, hear.) The scope of the Statutory Railway Board was very clearly put by me in my speech in 1932 on the floor of this House, and I am glad to say that is exactly the view that this Committee has also put in the preamble: I said:

“I do say even now that we must exercise a good deal of control in regard alike to policy and programmes of capital expenditure. The State Railways of India are really going to be controlled by the State; but they should not be run by politicians to subserve political interests. Politicians will always have axes of their own to grind. That is true not only of the Indian politicians; it is true of politicians all over the world. At least in politics, there is only one tribe—that of politicians; there is no caste or class division or distinction so far as politicians are concerned; and everywhere, wherever possible—it is not possible in England because they are private-owned railways, and private-managed railways—but it has been possible in colonies, it has been possible in other countries;—political interference has practically brought railways to something in the nature of a financial chaos.”

The central pivot on which this Committee places its report is this, that there can be and there shall be no political interference whatever. It is not a new view, so far as I am concerned. I said in my speech on that occasion—the 1932 debate on my token cut,—that the Railway Administration of the future “must no longer be the playground of the politicians”. That one definite point has been gained today, because no one, who has spoken so far, not even my friend, Raja Bahadur Krishnamachariar, has taken exception to the fact that in the days when politics are going to have supremacy in this country, the politician must be definitely put within his limits and never permitted to put his hand into the financial administration of the railways of this country, in other words, he must not play ducks and drakes with the finances of our country. That is the whole position in regard to the Railway Board, and that is a position, Sir, which, I am glad, has the unanimous sympathy of this House.

Then, the question arises—shall it be Indian legislation or shall it be British legislation? On that point we have explicitly stated in England in private, as it was beyond our scope as members of a Committee, that it should be Indian legislation. I believe, and I hope that the Government of India with an Indian Member in charge of the Railways will at any rate stand up for the Opposition view and insist that this House wants Indian legislation in the matter. It may be asked—why should you not leave it, as suggested by Sir Tej Bahadur Sapru, to your successor, the Federal Government? Or do you want yourself to have the right of passing this Legislation? In the first place, I prefer the devil I know to the devil that I do not know, and secondly I will trust no future, however pleasant. I am certain I am speaking for everybody in this House, when I say, we would like to act in the living present, we would like to have an opportunity of examining the recommendations of the London Committee, to scrutinise it in committee ourselves. (Hear, hear.) And, after all, our recommendations are not unalterable like the laws of the Medes and Persians; our recommendations can be turned down in committee. We ourselves are not committed to these recommendations as though we cannot alter them. In fact, Sir, when I approached, and when my colleagues approached, in committee this question, we approached it with the apprehension that the legislation is going to be British Parliamentary legislation, and approaching it as we did with that suspicion we had to riddle it with our own opinions. As a matter of fact, when the choice was given to us on the last day to reopen

the question on the ground whether it should be Indian or British legislation, we preferred to leave that question out as on the first day we could not decide it. Having come to our decisions, we were not willing to reopen the pact which we entered into with other communities, and we were not willing to go back or to revise our opinions. It was too late; most of us were home sick; we wanted to come away, and, therefore, Sir, we left our work where it was and in the form in which it is placed before this House. Not even Mr. Neogy, who ably and very very cautiously, I would say dexterously, almost intolerantly, if he could be intolerant on an occasion like this, had viewed our recommendations in a proper spirit. He approached it with a good deal of suspicion, but, having gone through them, he spoke like a statesman, he spoke with generosity, he spoke with tolerance, he approved of our recommendations. That, I consider, is the greatest compliment that I can give to Mr. Neogy himself. He began as a doubter, he ended as a believer. Who never doubted, never believed. He began with doubts, he concluded with certainties. All that we are now concerned with is the formulation of a formula, a common agreement, because nobody wants to divide this House; everybody wants a Statutory Railway Board; everybody also wants that it should be run on business lines.

Then, the question that arises is this: can this Assembly lose some of its powers? Have not Honourable gentlemen, who went abroad, agreed to divest this Assembly of some of its powers, to divorce it of some of its responsibilities? No, Sir. We were very chary about that view. As a matter of fact, what is the responsibility and what is the power of this House? You do not have a responsible Minister. Do you have? I know Sir Joseph Bore is as sweet as a siren (Laughter), and, therefore, his siren songs have made us think that he is acting like a Minister. It redounds to his glory, in spite of the Constitution, for, briefly, from a constitutional point of view, Sir Joseph Bore is a railway autocrat, he is a commerce autocrat, responsible, so far as this House is concerned to nobody not even to the Leader of the House, for his responsibility is to the Governor General in Council, and the Leader of the House might differ from him in that Council. Sir, the responsibility of that Council and the Governor General is to Whitehall. Therefore, as at present constituted, this House has not got the scrap of a Constitutional Authority in regard to the administration of the railways. And what is the authority that we are getting for a future House? That authority is nothing more and nothing less than this. We are securing for a future House a responsible Railway Minister, and, even under Sir Samuel Hoare's recommendations, the Railway Minister cannot be left in the wilderness in regard to the constitution of the Railway Board. He has got a majority of the representatives in that Railway Board. (Hear, hear.) I myself, Mr. Joshi and Mr. Yamin Khan, who took such an intelligent and active part in that Committee and others; all of them, who were so devoted in getting for their country all that they could get, every one of them saw to it, every one of them recommended that this Railway Board must be constituted in all its completeness by the Minister responsible to the House. Their recommendation was simply that. It is understood as taking away some of the existing powers, namely, the exercise of the right of moving a token cut and the right to withdraw it with the consent of the House! That is the power which we have actually exercised so far in this House in this particular debate on this particular occasion! All of us have unanimously exercised that right. We will not have it. On the contrary, you will have the right of having your own Railway Minister who will be dismissed if you censure him, if you censure his policy which he recommends to the new Railway Authority . . .

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muhammadian): We shall have no control over the administration of the railways.

Mr. C. S. Ranga Iyer: My friend over there whispers loudly enough and says we shall have no control over the administration of the railways.

Mr. Gaya Prasad Singh: The Minister shall have no control.

Mr. C. S. Ranga Iyer: If my friend reads the report, he will find that the *"Federal Minister responsible for transport and communications may at any time convene a special meeting of the Railway Authority for the purpose of discussing matters of policy and questions of public interest."*

Mr. Gaya Prasad Singh: He will have no right of vote.

Mr. C. S. Ranga Iyer: And, now, coming to votes at such meetings, *"the Federal Minister will preside, and the Federal Minister may by order require or authorise the Railway Authority to give effect to the decisions of the Federal Government."* We get a Government which is going to be responsible to this House on matters of policy, and it shall be obligatory on the Railway Authority to give effect to such decisions of the Legislature. That is the position that we have achieved. Do you want the right of standing up on the floor of this House and moving some 40 token cuts, or do you want power? I put it to my friend, Mr. Gaya Prasad Singh, I put it to Mr. Neogy, I put it to every one who has doubts on this matter. I want power. That power, Sir, we are getting. The Railway Minister will be responsible to this House, and the Railway Authority will be responsible to the Railway Minister. We say that he should constitute that authority. The Secretary of State says *"I give him a majority"*. Well, Sir, if the records and the confidential documents of the Government of India were to be placed on the table of this House, probably even this might have been a matter of dispute, between the Government here and the Government there. I may say with my knowledge of what I saw in England of the campaign that is carried on against the Secretary of State,—I may say that one of the most important things on which they are fighting him is that there should be completest railway control in the hands of Whitehall itself. I know that many gatherings have been proclaiming from the housetops that they should not *"surrender"* the power of finance to the Indian people. They are asking for Sir Samuel Hoare's head on a charger. Therefore, I say, much credit is due to Sir Samuel Hoare for having gone so far as he has gone (Cheers), and I am glad that even Mr. Gaya Prasad is generously joining others in applauding the Secretary of State. (Laughter.) That is some consolation. I do not want to say—even though I have fought Whitehall as I have fought, and this report will bear witness to that fact, speaking for the team, no one in this House could have fought better and no one in this House could have fought more persistently, as Mr. Joshi bore testimony in one of his public declarations before going back to England—I am not here to say what I did or what I failed to do, I am here to face the music. We have fought. We may have failed in certain respects; we have prevailed in certain other respects. We fought because we feared that it was going to be British parliamentary legislation. Our fight would have been less harsh, it would have been less severe if the Secretary of State had told us that it would be Indian legislation. I said at the Committee straightaway, that we

would make generous concessions right from the beginning if we knew it was going to be Indian legislation. As it was going to be British legislation, we had to approach this question with suspicion and so have we approached it. If it is going to be Indian legislation, I predict, many alterations can be made without attacking one or two fundamentals, and if we attack those fundamentals, we may modify them without destroying their essentials. If it is to be Indian legislation, our scheme can be revised by Mr. S. C. Mitra and by Mr. K. C. Neogy with all the ability that they possess and all the patriotism that they undoubtedly have. It can equally well be revised by Mr. James and Mr. Yamin Khan with all the caution that they exercise—Mr. James from the British Parliament's point of view and Mr. Yamin Khan from the Muslim point of view, and Sir Muhammad Yakub, Mr. Padshah and Dr. Ziauddin have also been supporters of that Muslim point of view to which we Hindu Members have agreed.

Mr. S. G. Jog (Berar Representative): You will look at it from the Nationalist's point of view.

Mr. C. S. Ranga Iyer: And the best way to look at it from the Nationalist point of view is to make agreements where agreements are necessary and not to deprive the minorities if the minorities insist upon their rights. Sir, to these things we are willing to adhere, but this House must—I do not want to go into further details—this House must unanimously agree that a Statutory Railway Board should be set up by the Indian Legislature as you have put in your formula. Whatever formula may be placed before this House, I may say that we will no longer be doubters of the necessity for a Statutory Railway Board. I do not mind the severe criticism that my Honourable friend, Mr. Jagan Nath Aggarwal, levelled, together with others, against me two years ago. All those criticisms we have borne in mind. We have incorporated them in our report and now I hope he will not stand upon Achilles' tomb and doubt Troy. Rome can no longer be doubted either, much less the necessity for a Statutory Railway Board. (Applause.)

Sir Cowasji Jehangir: I hope I shall not be considered audacious if I congratulate my Honourable friend, the Raja Bahadur, for the very eloquent speech he made this morning. I am sure that all the Indian members of the London Committee—I was not one of them—regret that he was not in London and refused the invitation, I understand, that he was extended to him by Government to go to London. Those who were in England at that time regret that they did not have the genial company of my Honourable friend. But what was the loss of those in England has been our gain today, because I am sure that, if my Honourable friend had been in London, he would not have made the speech that he made this morning, and the speech is the only compensation that those who went to London have on account of his absence.

My Honourable friend raised some rather pertinent issues with regard to a Statutory Railway Board. He first blamed my friends who were members of the Committee for not having embodied in their notes of dissent a paragraph to the effect that legislation should be made by this House. But we have heard the explanation from the lips of more than one Honourable Member that such an issue was ruled out of order. Then my Honourable friend talked of conflict of opinion that is bound to

[Sir Cowasji Jehangir.]

arise between the Government and the Statutory Railway Board. I believe what he meant was the conflict of opinion that may arise between the Statutory Board and the executive. That is always likely. It is very likely that the executive may try to get more powers than the law gives them, and it is stated that even in England the executive try to get more and more powers than the Mother of Parliaments ever gave them, through rules and regulations, and that point has been most carefully and lucidly brought to the attention of the public in England by no less a person than the Chief Justice of England. But, so far as I understand these recommendations, brief as they are, it is not intended that the executive shall be the masters of the situation. The intention is that the Statutory Board shall be the masters and the executive shall be the servants, and I can only point again to paragraph 4 which clearly states that "the Railway Authority will be responsible for the proper maintenance and efficient operation of the railways vested in them for the purpose of administration". It is the Railway Authority that is responsible, and if the executive do go wrong, the responsibility is not that of the executive, but of the Railway Authority. If the Railway Authority is weak and allows the executive to become masters, then it is open to this House to pass such Resolutions or to express such opinions as it thinks fit and to insist that the personnel of the Railway Authority shall be changed.

Mr. President, my Honourable friend then talked about the control which the Board will have over the executive. That is again the same question. If my Honourable friend, the Raja Bahadur, will allow his servants to get the better of him, he cannot complain that the servants dictated. It is his own fault. If this Railway Authority is going to allow the executive to do as they like, it will be the fault of the Authority and not of the executive. So far as I can see, Mr. President, due to these objections, my Honourable friend, the Raja Bahadur, turned down the suggestion of a Statutory Railway Board.

Raja Bahadur G. Krishnamachariar: I said these conditions must be regulated with a proper set of rules. You must have a Statutory Board; I had no objection.

Sir Cowasji Jehangir: I am very glad to hear it. If he had only said this at the beginning, I would not have made my remarks at all.

I will just come to another important point which I might have referred to in the beginning. We have been told by our friends here that they, while on the London Committee, were always in favour of legislation in this House. We are all agreed and I myself see no great difficulty, even from the point of view of the Government, in allowing this House to legislate. There were two Committees which functioned in London. One was the Reserve Bank Committee and the other was the Railway Committee. With regard to the Reserve Bank Committee, a Bill has already been passed by this House. It was a Bill brought before this House based upon the report of a Committee that sat in London. The House was given a free hand. It is always in the power of the Government to veto any Bill which this House may pass which, they do not think, is in the interests of the country. Why should not the same practice be followed with regard to the Statutory Railway Board? Why should not my Honourable friend sitting opposite bring in a Bill, based

upon this report, for the consideration of this House? Why should he not allow that Bill, which will follow the recommendations of this Committee, to be subjected to scrutiny by a Select Committee of this House, and then, if the result is that this House turns down any fundamental principle, which Government think is absolutely in the interests of this country, the Honourable the Front Benchers here and their master in London have the power to veto that Bill. I do not see the great difficulty. Time may be against them, but after all, although this House may be dissolved, another House must take its place before the Federation comes into existence. If not this House, let its successor, after the next election, have the chance of going into the whole question of a Statutory Board on a Bill framed by Government, if they choose, embodying the principles that have been laid down in this report. From all points of view, looking at it even from the Government's point of view, I do not see where the danger comes in. From our point of view, we certainly insist. From the Government's point of view, if they could do it on an important question like the Reserve Bank, why should they not do it with regard to a question like the formation of a Statutory Railway Board, and then they can wait if they choose, before putting that Bill into operation until the Federation begins to function.

Now, there is one important point with which I do not agree in this report. My Honourable friends, who were members of the London Committee, stipulated that all the Members of the Statutory Board should be appointed by the Federal Government, and their agreement to the rest of the report, I believe, was based on the understanding that their recommendation would be accepted. If the Federal Government is to appoint the Board, why should the Governor General have the power of dismissal? It is a well known principle that the authority that appoints is the authority to dismiss.

Mr. N. M. Joshi: We do not insist on that.

Sir Cowasji Jehangir: I do. The Chairman is appointed by the Governor General. Let him dismiss the Chairman, but the authority that appoints must be the authority that dismisses. That is a fundamental principle that is followed by all Governments and in all legislation. I do not see why we should vary it in this case. Even according to the suggestion made by Government themselves, if the Governor General is to appoint three, let him have the power of dismissing those three. If the Federal Government appoint four, it is the Federal Government that must dismiss them. It was a principle enunciated in the Reserve Bank Bill. It is the principle enunciated in all legislation. I think the suggestion that appointments made by the Federal Government should be upset by the Governor General merely after consulting, not on the advice of, the Federal Government is a wrong principle.

Now, Sir, Mr. Neogy pointed out certain words in paragraph 5. He said "who was to decide whether the Railway Board was running the railways on business principle"? Who else but the Federal Government and this Honourable House? It is the Federal Government and this Honourable House that lays down the policy for the Railway Authority and for the executive, and, surely, whether the railways are run on business lines or not is a question of policy. How such a misunderstanding could take place is beyond me. It is this House that has got to see with the Federal Government that the railways are run on business principles.

[Sir Cowasji Jehangir.]

I do not wish to take up any more time. There is only one important issue that was raised and that was, how this House is going to express its opinions on questions of principle? The Budget is not going to come before this House for purposes of voting. It will be merely for consideration. There are no details given in the sketch. The sketch is not supposed to give details. I presume that we shall have a general discussion on the Budget as there is now. What do we do at present? We have a discussion and, so far as my experience of this House goes, I believe that general discussion is continued for the rest of the debate. Every cut is a general discussion. You may cut down the demand by Rs. 100, but that is a general discussion, and, therefore, if you have your general discussion and then if you are given the power to pass Resolutions or to express your opinion by some other method, you have got all the control that you have at present. We are to delegate our powers of critical examination of the Budget to the Statutory Board. We are to do that of our own free will, and if we only visualize, what the House is going to be like after the Federation with 400 or 500 Members, surely it is better that the Budget should be critically examined in all its details by a body like the Statutory Board that will become more and more useful in times to come as it gains experience. Today, with a smaller House, with many Honourable Members absent and benches empty, you have a better chance of examining the Budget critically. If we do not do so, it is not because we are not able to do so, but because the machinery never intended that we should do so, and, therefore, the suggestion that the Budget should be critically examined by an expert body of non-officials is a suggestion that should commend itself to this Honourable House, and this Honourable House should be willing to delegate those powers to a non-official body, keeping in its own hands the power of laying down the policy through Resolutions, as I believe it is intended that this House should be allowed to do.

Sir, we were next told that this power of the purse, as it is called, is a great power. Yes, it is a great power, provided the Benches opposite will vacate their seats if we make a radical change in the Budget. At present, it is no power at all. You cut Rs. 100,—and my Honourable friends sit where they are smiling as they usually do and as they will continue to smile for years to come. It is no power at all, it is an eye-wash.

An Honourable Member: We are thinking of the future.

Sir Cowasji Jehangir: In the future, what will happen when you make a substantial cut? The opposite Benches will say: "We go, we are not going to take the responsibility for this cut, you come and take our places." That is going to be the position in the future. I would ask my Honourable friends—with regard to railways, will that be an advantageous position to be in? I suggest, I most respectfully suggest to this Honourable House and to all the critics in India of the work of this Honourable and humble Assembly, that that would be a wrong step to take in the immediate future.

Mr. F. E. James: Why should it be humble?

Sir Cowasji Jehangir: Because my Honourable friend helps to make us humble (Hear, hear) on many occasions, because he and his friends have often helped to make us what we are. (Hear, hear and Laughter.) Sir,

while digressing on this subject, I do not exonerate ourselves. Sometimes we also are guilty, but certainly not as often as my Honourable friend and his friends. (Hear, hear.) Now the time is up and I must conclude.

Mr. C. S. Ranga Iyer: May I just remind my Honourable friend of the famous Biblical saying—"Blessed are the humble, for they shall inherit the earth". (Hear, hear.)

Sir Cowasji Jehangir: Well, Sir, I will now conclude by saying that I hope the Government will see the wisdom of following the example they themselves have set with regard to the Reserve Bank by bringing in a Bill at a very early date to make it dead certain that there will be a Statutory Board as soon as the Federation begins to function. (Applause.)

The Honourable Sir Joseph Bhole (Member for Commerce and Railways): Sir, I would like to make it clear at the outset that we do not propose to enter into a discussion of the merits of the proposal which has occupied the time of the House on these two days. The proposal to establish a Statutory Railway Authority has occupied the attention of those interested in Indian railway matters for a very considerable time. We know, when the proposal was first made, how it was greeted. It was regarded as yet another method of whittling down the proposed reforms and circumscribing the powers of a responsible Government of India. Once misapprehensions have started on their course, it is a matter of no little difficulty to overtake and to dissipate them, but I venture to think that, though there may still be criticism, there is now no ground for anyone to doubt the good faith of the Government or the genuineness of their claim that they have been actuated by consideration for the interests of the railways of India. I would suggest that the association of representatives of this House in the discussions in London was happily conceived. It helped to dissipate incorrect ideas which had taken root and which were fairly widespread as to the intentions of Government, and I think the atmosphere in which those discussions were carried on ensured their consideration on their merits. I think there will be few dissentients from the view that the report that we have before us is going to assist substantially in the solution of our difficulties when we come to face the practical problem of legislation. I think that the spirit which animated the members of the Committee in London is sufficiently shown by the very large measure of agreement which has been reached even on points of a controversial nature. In fact, as far as I can remember, there is only one point of real substance in respect of which the Indian members as a whole differed from their European colleagues on the Committee, namely, the question of appointments to the Statutory Railway Authority, the former, that is, the Indian members holding that all the members should be appointed by the Governor General on the advice of the Federal Government, the latter holding that only the majority should be so appointed and that the minority should be appointed by the Governor General in his discretion. There were, of course, other minor points of difference, but I think they were none of them so important as to disturb the general unanimity which pervades the Report. Diwan Bahadur Ramaswami Mudaliar asked me whether we could state whether the Secretary of State was going to stand by these proposals. I have no doubt whatsoever that the Government will generally stand by the main outlines of the sketch proposals, but at this stage all I want to say is that this debate will be forwarded to the Secretary of State.

[Sir Joseph Bhore.]

and I have his authority for saying that the views expressed on the floor of this House will receive the most careful consideration before final conclusions are reached. In regard also to the important question of legislation which will be necessary in order to give validity to conclusions which will finally be reached in regard to the Statutory Railway Authority, I am equally to say that the views expressed in this House will be conveyed to the Secretary of State and they also will receive most careful and serious consideration.

Mr. C. S. Ranga Iyer: May I here ask the Honourable the Railway Member whether the Government of India will be prepared or his Department will be prepared to back the view generally expressed that the legislation should be Indian legislation?

The Honourable Sir Joseph Bhore: My Honourable friend must wait and see. (Hear, hear.)

I have said that I was not in a position to make any statement in regard to this question of legislation for the simple reason that no decision has yet been taken. A decision is being postponed so that the views of this House may be placed before His Majesty's Government before a final conclusion is arrived at.

Now, Sir, turning to the actual cut with which we are dealing, I would say that this cut is really not a censure motion. The intention of a censure motion, I take it, is to blame Government for doing something which they ought not to have done or for abstaining from doing something which they ought to have done. In this particular case, all we are doing is that we are coming before the House to say that we have arrived at no definite conclusion, but that its views will be placed before the authorities concerned and every consideration will be given to these views before a decision is taken. I think that in those circumstances the most appropriate course would be for my Honourable friend, the Mover, to withdraw his motion and I ask him to do so.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): May I know, Sir, what is the view of the Government in connection with the two Muhammadans on the Statutory Railway Board? in patience, he will come to know later on.

The Honourable Sir Joseph Bhore: That also, if he will possess his soul

Mr. Gaya Prasad Singh: Sir, I am glad that the motion which I moved has resulted in a full-dress debate on this very important question. Honourable Members who proceeded to London as members of the Committee as well as those who were here have expressed their views in the fullest possible manner. This debate has been very interesting and instructive, and I am glad that my Honourable friend, Sir Joseph Bhore, has kindly promised to forward this debate to the Secretary of State for India. We also note his assurance that the Government have not come to any definite conclusion with regard to the points mentioned in the London Committee's report. Under these circumstances, . . .

[At this stage, the Members of the Democratic Party began to consult each other as to whether the motion should be withdrawn or not.]

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member is evidently feeling some difficulty. The real difficulty with which the House is faced today is this that a cut motion is not really the means by which an authoritative expression of opinion can be ascertained by the means of a vote of this House. It is to be done by an independent motion. So, if this motion is pressed to a division, and since a cut motion is always considered to be a censure motion, the Government and certain other Honourable Members will be bound to oppose it though the Honourable the Commerce Member has made it perfectly plain that it is the intention of His Majesty's Secretary of State for India to place the views of this House as expressed in today's debate before His Majesty's Government before any final decision is arrived at. The Chair has been told that the object of the sponsors of this motion and the object of the Independent Party, the Democratic Party, the Nationalist Party and the Centre Party is that they desire to convey by this motion their opinion that the Constitution Act should merely contain a clause requiring the establishment of a Statutory Railway Authority, and that its constitution, functions and powers shall be subject to legislation, initial as well as amending, in the Indian Central Legislature. (Applause.) This will go on record and will be available for His Majesty's Secretary of State for India.

Mr. Gaya Prasad Singh: Now that the result of the mutual agreement has been so clearly placed before the House by yourself, I find my course very clear. It is not necessary for me to enter at length and reply to all the controversial points raised by several Members in this House on the merits of the motion itself. Even my Honourable friend, Mr. Ranga Iyer, speaking from that somewhat questionable neighbourhood (Laughter), is also quite at one with us in demanding that the authority which will bring into existence this Statutory Railway Authority will be this House or its successor, I mean the Central Legislature. Under these circumstances,

Mr. C. S. Ranga Iyer: I did not say "successor". I trust no future, however pleasant.

Mr. Gaya Prasad Singh: My Honourable friend says that he trusts no future. If he does not trust the future, why did he go to London to support the Railway Authority which will come into existence in the future? It is not, however, necessary for me to pursue this point any further. In view of the assurance given by the Honourable the Commerce Member that the Government have not made up their mind with regard to the question which is under discussion and that a copy of the debate will be forwarded to the Secretary of State for India, and as a result of the agreement mutually arrived at between the Parties, I crave the indulgence of the House to withdraw my motion.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): As a matter of constitutional propriety, may I suggest that this Resolution be formally moved and decided upon by this House, otherwise it would not be known whether all the sections of the House agreed upon it.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order: A Resolution or a motion cannot be moved except in accordance with the Standing Rules and Orders. The Chair has made the position very clear and it thinks it is clear.

Several Honourable Members: We accept it.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The next motion is by the Nationalist Party.

Indianisation of the Railway Services.

Sir Hari Singh Gour: Sir, I move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."—
(Indianisation of the Railway Services).

Sir, the question of the Indianisation of the railway services has been engaging the attention of the Indian public for nearly half a century, if not more. In 1886, when the Public Service Commission was appointed, Indian public opinion expressed itself in unequivocal terms in favour of the Indianisation of the superior services in the Indian railways and in 1910 when the Islington Royal Commission came out to this country, the same question was pressed home by the Indian public. I find that, at page 844 of the report of the Islington Commission, 16 recommendations were formulated for the purpose of giving effect to progressive Indianisation of the railway services. At that time, as we find from paragraph 4 (page 338), the objective was limited and different, for the Royal Commissioners there write:

"We recognise that owing to consideration of policy it is necessary to maintain a nucleus of officers imported from Europe."

That was the objective in 1910. But in 1917, when the declaration was made as to the future policy of the Government of India, we find in the reply given by Mr. Edwin Montagu, since embodied as the preamble to the Government of India Act, the following words:

"Whereas it is the declared policy of Parliament to provide for the increasing association of Indians in every branch of Indian administration."

Commenting upon these words and upon the report of the Montagu-Chelmsford Committee that preceded it, the Lee Commission, in their report, at page 17, summarise the position as follows: They say:

"We do not propose to argue the case for Indianisation *de novo*. The question was among those remitted for consideration to the Islington Commission, and the various relevant considerations were fully discussed in their Report. Subsequent to the signature of that Report, and before orders were issued on its recommendations, the announcement of August, 1917, had entirely changed the constitutional outlook. In the words of the authors of the Report on Indian Constitutional Reforms, the success of the new policy 'must very largely depend on the extent to which it is found possible to introduce Indians into every branch of the administration'. Recognising that Indianisation must be a 'long and steady process', they recommended that recruitment of a largely increased proportion of Indians should be initiated without delay, if the Services 'are to be substantially Indian in personnel by the time that India is ripe for responsible government'."

On the next page, page 18, they say:

"In the days of the Islington Commission the question was 'how many Indians should be admitted into the Public Services?'; it has now become 'what is the minimum number of Englishmen which must still be recruited?'"

That was a new orientation of policy adumbrated by the preamble to the Government of India Act, 1919, to which reference is here made by the Lee Commission. We have, therefore, to see how far the promise given in the Act of 1919 and subsequently reiterated in this report of the Royal

Commission has been given effect to. The subsequent recommendation on the railway services is contained at page 23 of the Lee Commission report, where they say:

*"State Railway Engineers.—Superior Revenue Establishment, State Railways.—*We understand from the evidence placed before us that the present rate of recruitment (taking an average over the departments as a whole) has been designed with a view to securing, as soon as practicable, a cadre of which, out of every 100 officers, 50 shall have been recruited in India and 50 in Europe. The date at which this cadre may be reached is, we are informed, dependent on the provision of adequate training facilities in India. Measures with that end in view were advocated by the Islington Commission and we are informed that facilities have already been provided to a limited extent. We are strongly of opinion that the extension of the existing facilities should be pressed forward as expeditiously as possible in order that recruitment in India may be advanced as soon as practicable up to 75 per cent. of the total number of vacancies in the railway departments as a whole, the remaining 25 per cent. being recruited in England."

Now, Sir, I do not know how far the Government of India have carried out the recommendation of the Lee Commission.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

But what I do now is that, judging from the classified list of State railways establishment published in 1933, I only find the name of an Indian here and there and in all the superior services of the State railways there hardly occurs any Indian name to justify the assumption that was made in 1919 and 1924 that, with the progressive realisation of responsible Government in this country, there would be a steady Indianisation of all services in the higher appointments. This question has not been raised in this House today for the first time. Ever since the reformed Legislative Assembly took office, this question has been brought forward again and again to the notice of the occupants of the Treasury Benches, and what has been their reply? Their reply has invariably been that "We are training up Indians to take responsible posts in the State Railways and that a beginning can only be made from the bottom, and as trained Indians are not available for filling up responsible offices in the higher grades, it would be a matter of time before the Indianisation demanded by the public and promised by the Parliamentary Statute would be effected". I admit, Sir, that under the pressure of the Assembly or it may be under the pressure of the Parliamentary Statute, the Government have established a college here for the training of Indians in the higher grades of the railway services.

Lieut.-Colonel Sir Henry Gidney: That college has been closed down.

Sir Hari Singh Gour: My Honourable friend says that the college has since been closed down. That is Indianisation in progress.

What I should like to know is this. What we really want is a scheme of progressive Indianisation, not merely a scheme which depends upon the steady flow of Indians from the lower ranks to the higher ranks, but a steady recruitment of Indians and their association in all grades of public services. There are various departments of State railways which do not call for any technical knowledge which is not possessed by Indians. Take, for example, the Stores Department, the Engineering Department. The Indians have made very competent Engineers in the public services and I have not the slightest doubt that they would make equally competent Engineers in the railway services. Then we have the Traffic Department.

[Sir Hari Singh Gour.]

and other Departments mentioned in this book from which it would be clear that the Indianisation of the State railways need not necessarily depend upon the out-turn from the Indian colleges even if they existed. Therefore, I submit that Government have not really implemented their promise of Indianising all grades of the Indian State railway services and my best vindication in support of my argument is the book published by the Government themselves. I should, therefore, ask this House to carry this motion and further to demand of the Government an annual statement showing the progress of Indianisation in all grades of railway services. That, I submit, is the least that the House can demand (Hear, hear), and I am perfectly certain that the Honourable the Commerce Member should have no objection to preparing and laying on the table of the House a statement of the progressive Indianisation of the railway services in this country. Sir, I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Cut motion moved:

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

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, there is no doubt that the general sympathy of all in this House is with the Leader of the Nationalist Party that Indianisation should proceed at a much more accelerated speed than at present. It is the desire and wish of all of us that our own countrymen should take a more and more active part in the administration of this country in all its spheres and we claim that as of right and not as a matter of grace only. That that is our right is admitted even by the Government in Great Britain, and not long ago, even the present Prime Minister, Mr. Macdonald, admitted that to appoint anybody in an office for which an Indian is fitted is most unfair and injurious to Indian interests. But this motion, coming as it does on the Railway Budget, does not appear to be as appropriate as it may be on the General Budget. I cannot imagine more Indianisation than at present exists from top to bottom. It is our good fortune that during the lifetime of this Legislature, which is considering the present cut, the Member in charge of the Railway Department, who was appointed two years ago, is our own countryman. The next position, that of the Financial Commissioner, formerly held by a European, thanks to Sir George Schuster, is now held by our own countryman, Mr. P. R. Rau. Indianisation is being accelerated day by day. We find that in the new appointments every year no less than 75 per cent. of the appointments offered are always for Indians. That is a very satisfactory state of affairs, situated as we are at present, and I think our thanks are due to the Government, both here and in England, that such high positions which control the patronage and power in the lower grades of administration are held by Indians. But too much of this Indianisation appears to be another name for urbanisation as we see it.

A good many or most of the jobs which are said to go to Indians go to the urban interests which are microscopic considering the vastness of the country. The rural people not being resident in the cities, but being in the rural areas, neither get enough information nor enough support from the administrative offices regarding vacancies or appointments; and they who in justice are entitled to a greater and greater share in the services are

being ignored for no fault of the high officials but for the system. To begin with, education only came in the urban areas, and all the office staff like Superintendents and others got the appointments, because they were living in the areas in which the offices existed, and they, out of natural sympathy for their own kinsmen and for their own relations, always helped their own kith and kin living in urban areas. I only desire that Government should at this time give more and more share to the educated classes like engineers and others who have spent vast sums of money in England and in other countries to acquire technical education and they should be provided opportunities to develop their own education and their own experience and give it to the service of their motherland. I know that a very large number of people trained in foreign countries in engineering and traffic and other branches of railway administration, who belong to the rural areas, are sitting idle for want of any openings. I, therefore, think that the Honourable the Railway Member and the Financial Commissioner of Railways should give their sympathetic consideration to the claims of the rural interests so that they might be given a larger and larger share in the administration of the different branches of the railways.

I said, to begin with, that I feel happy that the pace of Indianisation in the higher places has proceeded very satisfactorily as we find in the person of the Railway Member and the Financial Commissioner; and other appointments like the Agent of the Eastern Bengal Railway, the Director of Administration, the Deputy Director of Administration, the Director of Finance and many other high appointments in the Railway Board and below it are being held by our own distinguished countrymen, and we should thank the Government and the Secretary of State for having done all this in such a short time and at such a good speed.

Lieut.-Colonel Sir Henry Gidney: Sir, I rise to support the motion before the House, but I do so with a provision. If this motion is meant to be a censure on Government, I think it is hardly called for. If it is a motion that is intended to keep Government wide awake and to stimulate them to further Indianisation, it has my entire support and I think the intention of my Honourable friend, Sir Hari Singh Gour, is this and, if so, may I tell him, I support him. Sir Hari Singh Gour rightly says that there are very few Indians in the higher spheres of railway administration. I know one who holds a very exalted position and who is a very able administrator, I refer to Mr. Singh, the Agent of the Eastern Bengal Railway, whom I do hope we shall soon see occupying a portfolio in Government as a Member of the Railway Board. I know another Indian who was the Chief Controller of Stores in the North Western Railway and who is now a budding Member of the Railway Board, either Statutory or otherwise. I also know a number of other Indians who are holding good appointments, but it is surely asking far too much indeed, it is not fair to expect—may I quote a simile—to promote a private to a General unless he goes through a careful training and stage by stage promotion. And considering that this demand for Indianisation in this House has not been of long duration, about 15 years

Sir Hari Singh Gour: Fifty years.

Lieut.-Colonel Sir Henry Gidney: The seed may have been sown 50 years ago, but I think we may take it that it starts from 1921 when it became very acute. I repeat, considering that this demand has been pressed on the attention of this House for about 10 or 15

[Lieut.-Colonel Sir Henry Gidney.]

years, the figures given by the Honourable Member in his Budget speech are very enlightening and satisfying. I do think that the Railway Board is endeavouring its utmost to supply our demand for Indianising the services. Indeed one has only to scan the list of new officers and of those who pass competitive Railway examinations in India to realise that almost 98 per cent. of the passes in this country are Indians. I would add, I think it is a rare thing for the Secretary of State or the High Commissioner for India to appoint any officer from England for Indian railways except it be for some specialistic appointment. Holding this view, I do think, the Railway Board is faithfully carrying out the duty so clearly enunciated by Sir George Rainy when he gave this House in 1929 the startling figures that the percentage of Indians recruited recently to superior services had gone up to 72 or 75 per cent. What more does this House want?

Sir, I do think, Sir Hari Singh Gour's motion has served a very useful purpose if it be only to awaken the Railway Authorities or the Railway Board to the need of providing adequate training for the sons of this country to enter into the highest spheres of railway administration. Today we have an open competitive examination for entrance for such posts, but I do think it was a great mistake and a great administrative error to have retrenched the Superior Railway Officers Training College at Dehra and to have given it over to the army authorities for the Indian Military Academy. I call the serious consideration of the Honourable Member to the necessity for this country to have a superior railway training college. As I said in my speech in the general discussion on the Railway Budget, it was vitally necessary for this country to be in a position to supply all its railway needs from the smallest to the largest engines, and you cannot do this if Government continues to maintain their studied policy of indenting for all these requirements from England and the Continent. I can almost liken this tragedy to the cultivation of cinchona. India is the home of malaria and yet the Government of India studiously indents at a very high rate maintained by monopolists for its quinine from Java, instead of starting large cinchona plantations in this country. The same thing applies to the railways; and, if Sir Hari Singh Gour's motion has the effect of stimulating the Railway Board to a further sense of its duty, it will have served a very useful purpose and he will have any entire support.

There is, however, just one thing and it is this: in our quest for Indianisation or Europeanisation or Anglo-Indianisation, call it what you like, or as my friend Mr. Neogy, once put it, "Gidneyisation", one must never forget the fact that after all, Indian railways only want the best men as officers, and you must go through the mill and training from the lowest to the highest: you cannot—indeed it would spell disaster to—expedite Indianisation at the expense of efficiency. With this important provision, I have great pleasure in supporting the motion before the House.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir, for sometime past I am keeping myself in touch with the grievances of the Indian staff on the E. I. Railway system, and I regret to state that the impression that has been made on my mind is that at least on the E. I. Railway the interests of Indian employees are sadly neglected.

Under the new Divisional system, officers have lost touch with the staff. The Divisional Superintendent is quite unapproachable, while the Transportation, Commercial and Staff Superintendents are either too much tied to their tables or have no desire to maintain contact with their staff. I really do not understand as to what useful purpose it serves to have a senior scale officer as Staff Superintendent on each Division. If he is meant simply to register the decrees of Transportation and Commercial Superintendents, it will be in the interest of economy to have a junior scale officer on that post. It should be the duty of the Staff Superintendent constantly to go out on the line and study the grievances of the staff.

It is now some years past that it was declared that all racial discrimination in the matter of appointments and promotions had ceased to exist on State railways. But how is this policy actually being carried out on the E. I. Railway? In reply to one of my questions, I was told that there was not a single Indian holding the appointment of Assistant Station Master or Platform Assistant on big stations like Howrah, Asansol, Mughalsarai, Allahabad, Lucknow and Cawnpore. My information is that similarly there is not a single Indian holding the post of Assistant Yard Master and Yard Master. Does it not look strange that with hundreds of Indian Assistant Station Masters and Station Masters serving on the E. I. Railway, there should be found none competent enough to manage the post of Assistant Station Master or Platform Assistant? The reason lies in the way in which rules regarding promotion are framed.

An Indian Assistant Station Master, after reaching his maximum on Rs. 76 has got to get into the Station Master's grade on Rs. 80, after that into the Assistant Station Master's grade on Rs. 85 and Rs. 95 only, and then into the Station Master's grade on Rs. 120 per mensem, etc. etc. A Number-Taker, after waiting a life time on the maximum of his grade pay, Rs. 70, gets into the grade of Head Number-Taker on Rs. 110 and is provided promotion to the post of Yard Supervisor, which posts do not exist at least on some Divisions of the E. I. Railway. Under these rules, what chance is there for an Indian employee to rise to higher posts of Platform Assistants and Assistant Yard Masters?

Some arrangements may be made to bring Indian Assistant Station Masters and Head Number-Takers on the relieving list and to promote them to higher subordinate posts. Under the present rules, they have no chance of promotion to these posts.

As regards the Superior Officers, a cry has been raised, I think since the time when the late Mr. Gokhale was here, that the railway administration is a peculiar instance of extravagance. Complaints have been made from year to year, but no proper heed has been given. Now, we have reached a stage, we have reached a critical moment, we have reached a crisis, when not only this House, but even the Honourable the Commerce Member and his Department have to take stock of the whole thing and apply their minds very seriously. Railways ought to be run on commercial lines; if they cannot afford to bear the burden of this high rate of pay, it is necessary that a little reduction in the pay of Superior Officials should be made. I for one at present have no mind to give any constructive proposals as to what should be done. It is for the Department to find out as to how much reduction is necessary, if you want to carry on the railway administration on really economic lines. It is for you to put together and put your heads together and to find out how much reduction can be effected. With these observations, I close my speech.

1202

LEGISLATIVE ASSEMBLY.

[22ND FEB. 1934.]

Mr. Goswami M. R. Puri (Central Provinces: Landholders): Sir, I have much pleasure in supporting the motion of my Honourable friend, Sir Hari Singh Gour. He has dealt in details about the various Commissions which were sent out to redress the grievances in this respect; therefore, I shall not deal with that aspect. Our gallant friend, Sir Henry Gidney, has also dealt with that point to some extent, but I want to say one word about what he said. He was of the opinion that the grievances about Indianisation were being duly redressed by the Railway Authorities. I do not agree with him as far as that point is concerned. I know the Railway Authorities are doing their level best to bring about Indianisation, and it is a matter of great satisfaction that, within two or three years, they have been able to show a great deal of progress; but that is not sufficient. We want the pace to be hastened. This is the proper time when the principle of Indianisation should be strictly followed.

The recommendations of the Lee Commission are not given effect to in their proper spirit, and I would like that the Honourable the Railway Member should take them seriously. Sir, it is not a matter of mere obligation that the railway services should be Indianised, but we feel that it is a question of our right, because we Indians have invested over 800 crores of rupees in the railways. I, therefore, appeal to the Railway Board to do their level best to bring about Indianization as early as possible. I know there is Indianisation at the bottom, but there is no desire to Indianise the services at the top. There are a few Indians as Officers at the top, but their number is much inadequate. I, therefore, hope, Sir, that before the new reforms are introduced, there will be sufficient Indianisation in a true sense. With these words, I support the motion of my friend, Sir Hari Singh Gour.

Mr. S. G. Jog: Sir, it is rather in a half-hearted way that I am on my legs now . . .

An Honourable Member: Then don't get up. Why should you?

Mr. S. G. Jog: On this side the motion has been made by my esteemed and illustrious Leader, Sir Hari Singh Gour, and on my right I find I have my Honourable and gallant friend, Sir Henry Gidney, who is never in the right—he is always in the wrong. (Laughter.) Sir, this question of Indianisation of the services in the railways has attracted the attention of the Indian public for well nigh fifty years, and year after year we have been discussing it on the floor of the House, but so far as the principle goes, both the Treasury Benches as well as the Non-Official Members of the House are agreed that the services in the railways as well as in other departments should be completely Indianised, and there is absolutely no difference of opinion on this issue. But the real difficulty, having agreed to the principle, in translating that principle into practice, is so great that we are compelled to bring the question before this House every year—it has become more or less a hardy annual—and discuss it exhaustively, in order to press it on the Treasury Benches as if it is a live issue.

Sir, this is a question which relates to the very existence of Indians. The Railway Department with its huge revenues, with its all pervading nature and with the numerous departments it has under its control, can certainly Indianise the services if they desire to do so, because we Indians naturally look to the Railway Authorities for more and more of our people

to be absorbed by the railway administration every year. My friend, Sir Henry Gidney, is probably in a happy position. When he was in England, he made so many speeches, and probably he has returned to this country with the satisfaction that he has achieved what he really wanted. I am glad to find that he has risen to support the cut moved by my friend, Sir Hari Singh Gour. He is a man. It is very difficult to say whether he is a fish or whether he is a fowl. Whenever he finds that he can get an advantage on that side, he styles himself as a Statutory European. When the question of Indianisation comes in, he gets up and says that he is an Indian. (Laughter.) So I find that my immediate neighbour is in a very happy position. He wants to have it both ways, but I would like to make an appeal to my friend: I think he should make up his mind once for all. If he wants to go with the birds, let him do so; if he wants to go with the beasts, then he should go with the beasts. So he should make up his choice once for all . . .

Lieut.-Colonel Sir Henry Gidney: Would I have supported this motion if I were not a Statutory Indian?

Mr. S. G. Jog: Our main difficulty in the railways is, we have not merely to fight the Europeans, but also the Anglo-Indians.

Lieut.-Colonel Sir Henry Gidney: No, no; not a bit.

Mr. S. G. Jog: If you will compare the services at the top, you will find that almost all the highest posts are monopolised by Europeans; you will find many departments in the railway services where you will not be able to find even a single Indian occupying any position of responsibility. Leaving aside the top services, the next service of any importance in respect of advantage and pay is monopolised by Anglo-Indians, and, to some extent, I must say with great respect to my friend, we have to fight these people too. My friend, Sir Henry Gidney, has often said that they must have a lion's share in the railway services . . .

Lieut.-Colonel Sir Henry Gidney: I have always been a lamb over here. I have never demanded a lion's share.

Mr. S. G. Jog: My friend has all along been saying that it is the Anglo-Indian community which has built up and developed the Indian railways, and, as such, that community should get preferential treatment in all the departments of the railways of this country. If my friend is prepared to join hands with us and live on the standard of life which we Indians are adopting, if he is prepared to accept jobs and posts on the scales of pay which are offered to us Indians, we for our part would be perfectly prepared to embrace him in our fold. I am told, Sir, that the higher officials of the Government,—I do not know whether it is the Secretary of State or who it is,—had issued instructions, when the campaign of retrenchment was progressing, that Anglo-Indians should not be touched, that the pay of Anglo-Indian employees should not be reduced in such a way that it will affect their domestic life. Sir, an Anglo-Indian like Bara Saheb wants all the comforts, he wants a big bungalow, he wants all the amenities of life like a European, and, therefore, this community has been agitating for the retention of all the privileges they have been enjoying all these years, with the result, we understand, that confidential

[Mr. S. G. Jog.]

instructions were issued, so that their pay or allowances should not be touched in a manner which would reduce their comforts or affect their domestic life, which necessarily meant at the cost of the Indians in the service.

Lieut.-Colonel Sir Henry Gidney: I challenge the Honourable Member to produce one order which says that the pay and other allowances of Anglo-Indians should be retained as higher than that given to Indians.

Mr. S. G. Jog: As regards the question of Indianisation, I find, at page 77 of this Red Book, two tables have been given, and I should like to read to the House a few figures:

"It will be observed that the Indian element in the Superior Services has risen from 28.02 per cent. on State-managed and 17.74 per cent. on Company-managed railways in 1925, to 38.79 per cent. on State-managed and 32.13 per cent. on Company-managed railways in 1933, by a corresponding reduction in the European element. Among the Indians, the percentage increase by communities in 1933, as compared with 1925, is as follows."

I have no desire to tire out the patience of the House with a detailed examination of these two tables, but I would recommend the House to go through them.

Then, in paragraph 78, it is stated:

"Turning to the subordinate staff on scales of pay rising to Rs. 250 per mensem and over, the corresponding figures are as under."

They are very interesting reading, and from that you will find how slow is the pace of Indianisation. Whether it is a motion for censure or whether it is only an academic discussion, I am not concerned in the least; what we have to see is the substantial nature of it. If you are really making progress, I must say that this does not satisfy the aspirations of Indians. It is a very slow process. What the Railway Department should do is, they should stimulate the aspirations of the Indians, they must open schools and give training to Indians on technical lines, and they must see that Indians are provided in all the branches in greater numbers. If there are no educational facilities, you must see that they are provided. It is no use saying, you must start from the beginning and it will take years before you rise to the top posts. You must start schools. You must give technical education, and you must take some boys by a direct process of recruitment, and you must make a deliberate attempt to take more and more Indians in all the branches of the railway services. I have given notice of a cut motion, No. 95, for the purpose of drawing the attention of the Railway Board to the fact that the apprentices, who have been trained by the railways for higher technical services, have not been provided for after the completion of their training course. As my Honourable friend has just pointed out, even the existing schools, where Indian aspirants get some facilities for training, have been closed. I have got a few cases which I am bringing to the notice of the authorities concerned. I know of a case where a boy, after having been trained, has been without any employment for the last two years. I have got similar cases. Even after persistent and consistent attempts on my part for the last two years, the boy is still wandering on the roads in spite of his technical education and high university career. I want the Honourable the Railway Member to find out such cases where people have been trained and have qualified themselves for higher

jobs, but have not been provided for. If they are not provided for, it will have an adverse effect in stimulating technical education. If people find that men who have been trained for the last so many years are still unemployed, what effect would it have on those who would like to have more technical knowledge and education. I know of many departments in the railways where Indians do not find a place at all. Although the Government have agreed in some respects to the principle of Indianisation, still I must say that they have not got a free mind in this respect. Government want to exclude Indians as far as possible. I do not think that they are working out the principle of Indianisation in a proper spirit. They want to exclude Indians as far as possible. They do not want to encourage higher training, because they think that it is the preserve of the Europeans first and the Anglo-Indians next. This idea of preserving this department for the sons of Europeans and Anglo-Indians must be abandoned. Look at the Indian population, look at the Anglo-Indian community, and look at the number of Europeans. Consistently with their number and education, more and more Indians should be provided in this department. Take, for instance, the Transportation Inspectors who get a pay of Rs. 500. I am told that in this Branch there is not a single Indian, though the number of posts is about 25. I am talking of the G. I. P. Railway, because I have not got the figures for the other railways. Take the Station Masters who draw Rs. 395. Even here the number is very small, even negligible. There are District Controllers drawing Rs. 345. There is another department which is called the mail and passenger guards department. Throughout this line, there is not one Indian Passenger and Mail Guard. Why this diffidence, why this mistrust, why this distrust of Indians? Distrust of Indians is still the policy of the higher officials of the railways. The Railway Department must change their angle of vision. Just as in other departments you must begin to trust the Indians. Why should you not place an Indian as a Mail and Passenger Guard? Why are you not prepared to trust Indians? The policy of the Railway Department still seems to be not to place Indians in positions of trust, or to give them executive jobs. They might be given some unimportant jobs, but where the executive line is concerned, there Indians are excluded entirely as it were. It does not matter whether it takes a few years more or less, but I want the Railway Member to change his policy entirely. The association of Indians in an increasing number is a necessity for the time being, and we, on this side of the House, will not be satisfied with this slow pace. You must make a very bold attempt. You must show that you are really sincere about it. It is no use pleasing the Assembly once a year by giving them a few figures, just to give a higher percentage. We are not concerned with higher percentages.

As Sir Hari Singh Gour has suggested, let us have a detailed examination, a detailed statistics of all the services to find out how many Indians there are, and probably we shall be surprised to find that there are a number of branches where you won't find even a single Indian. We are not prepared to go by averages, we are not prepared to go by these figures that you have given here. They should give us more statistics so that we shall be able to examine the matter more carefully and scrutinise it much better. Till then we will not be satisfied on this side of the House with this slow and halting process of Indianisation. You must look at it as a question of great importance. You must look at it as a question with which the bread and butter of Indians are concerned.

[Mr. S. G. Jog.]

We want to show that we also can carry on the administration of the railways with success. It is a training ground, and we must associate ourselves more and more with the railway administration. We are fortunate in having an Indian at the helm of affairs. I could have excused an European in charge of the portfolio neglecting the aspirations of the people. But it is a matter of pride to us and to the House that we have got an Indian Member in charge. We hope that during his time this pace of Indianisation will go on at a rapid rate, and our aspirations will soon be realised. I again appeal to the Honourable Member in charge that he should pay more and more attention to this question. I heartily support the motion of my Honourable friend.

Kumar Gopika Romon Roy (Surma Valley *cum* Shillong: Non-Muhammadan): I remember this Indianisation question with some respect and I have a fond recollection of the occasion, because, in 1931, when I first came to this Assembly, Mr. Shanmukham (now Sir Shanmukham) Chetty offered me the first chance to make my maiden speech for which myself with my constituency am highly grateful to him, and on that occasion I spoke at length regarding the fate of Indians. I must say one or two words regarding the remark of my Honourable friend, Mr. Jog, against Sir Hari Singh Gour. He accused Sir Hari Singh Gour that he changed his robes too often in the green room of the Legislature, but this is the fate of India. From Jaichand to this day, the ruination of India has been brought about by her sons. If there were no change of robes, the ratio would never have gone from 1s. 4d. to 1s. 6d. and the Reserve Bank Bill would not have gone untouched from this House. However, this is our fate. One thing I must say that, in other parts of the world, a country is meant only for the sons of its soil. England is for the English, Scotland is for the Scotch and Ireland is for the Irish, but my friends on this side of the House forget that India is for all, excepting the Indians. Before I speak anything on the Indianisation question, may I ask the Honourable Member in charge, why there is differential treatment between Indians and Indians. Can he say whether he considers that our Anglo-Indian brethren are the sons of India or not, and, if so, why there is this invidious distinction between Indians and Anglo-Indians? An Indian Guard gets Rs. 70 to Rs. 80 at the utmost, while an Anglo-Indian or an European, if he is placed in the same position, draws from the beginning Rs. 180 to Rs. 200. Why this distinction? Could there be no saving if the two scales were made equal?

An Honourable Member: God has made them fairer.

Kumar Gopika Romon Roy: Thank you. I do not know if there is any such invidious distinction in any other railway, but this obtains in our blessed Assam Bengal Railway. Regarding Indianisation, we have heard a lot. People are going to the round table, the oblong table, the cipher table, in London, and so many other places. They are the blessed few. Our rulers and the Members in charge think that by this hoodwinking they will console India, but India is not a little child today. Indians have got a little wisdom. They know what is salt and what is sugar. At least they could realise it. I want to make a few cutting remarks on a few points. They selected Members from this House, but they did not ask the Legislature to elect them. They had selected Members

in order to show that they got Indian representatives, but may I ask the Honourable Members opposite, how they could substantiate that they were real Indians and not Government people?

Mr. Deputy President (Mr. Abdul Matin Chaudhury): We are discussing Indianisation.

Kumar Gopika Romon Roy: Yes, this is also Indianisation. In all these things, the claims of Indians are overlooked. We should not be surprised that in the railways, Indianisation is going on slowly. I have just heard from my friend over there reading that there are a few posts thrown to Indians like the bones thrown by the butchers in the road to the dogs. That is, I am sure, not for giving effect to the recommendations of this Assembly for Indianisation of the railway services, but more, to solve economic depression which is sweeping over the railways, and that is also like beggars' alms to the blessed few. This in no way could be regarded as an attempt for Indianising the services by the Honourable Member in charge. However, we have heard many things. We hear many big and long vocabularies which almost break our jaws to utter, and also we often enjoy much sweet jugglery of words, but what are behind them? There are hardly any deeds to substantiate those. Only sweet words, but that won't do. We are hungry millions. The opposite side should not forget that we are crying for our bread, rather curry and rice, nay, a morsel of rice, but they think that these parliamentary etiquettes and colossal hoax and similar other things will quench our thirst and satisfy our hunger. What an irony of fate, Sir. However, I am fully at one with Sir Hari Singh Gour that this cut motion should be carried and that it will show at least that this House has strongly protested against such attitude of the Government. With these words, I support the motion.

Mr. Bhuput Singh (Bihar and Orissa: Landholders): I should like to say a few words on this question. The Indianisation of services is a hardy perennial. This includes the civil, military and railway services. We are now concerned with the last one. I think I will not be out of place to mention that only the other day the question of the Indianisation of the I. C. S. was discussed in the other House. Our grievances about Indianisation are twofold. First, the want of acceleration in the number of recruitment in the subordinate services and also in the lower ranks of the Superior Services. Secondly, the want of direct recruitment to the higher ranks of the Superior Services if suitable and qualified Indians are available. I think I will be told by the Government that qualified Indians are not available. I will say, and even I can quote instances where Indian engineers qualified with foreign degrees and with experiences in the United Kingdom and the Continental Railways are available. Further, Indians of the subordinate services, who were recruited ten years ago or even more before, are sufficiently trained in the railway working. If these two sources are tapped, I do not think that there will be a dearth of suitable Indian candidates for filling up the higher ranks of the Superior Railway Services. But, Sir, if by Indianisation the Railway Authorities take it to mean Anglo-Indianisation, I for one would not like to see such acceleration of Indianisation. I would like to explain myself, Sir, a little more clearly, because my Honourable and gallant friend, Colonel Sir Henry Gidney, probably will misunderstand me. What I mean to say is that if the community of my Honourable and gallant friend is found to be the best suited for particular branches of

[Mr. Bhuput Sing.]

railway service, I have got no grudge against them for holding the majority of the jobs in such branches and services. So far as the Anglo-Indians are concerned, my friend, Sir Henry Gidney, year in and year out dins into our ears that his community is the best suited for the railway services in all branches. This reminds me, Sir, of a story which I read long ago. There was a set of swimmers in a pond who became expert swimmers as no one else was allowed to come and to learn swimming in the pond. Even if some adventurous person desired to come to the pond for learning swimming, he was told by these expert swimmers that he should not come down to the water unless he actually became an expert swimmer. I think, Sir, this is exactly the argument of my Honourable friend, the representative of the Anglo-Indian community. He does not like the idea of allowing any other community to enter the railway services to prove whether they are more suitable for such services.

Lieut.-Colonel Sir Henry Gidney: That is a distinct mis-statement, Sir.

Mr. Bhuput Sing: A man cannot learn swimming without going into water, and so a man, however otherwise qualified he may be, cannot prove himself efficient for a particular service unless and until he has got the fullest chance of entering into the prohibited area of the railway services. With these words, Sir, I support the motion.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, it was not my intention to take part in this debate (*Voices*: "Why? why?"),—because I knew full well that all in this House, not excepting the Government Members, were for Indianisation and no one was against the principle of Indianisation at the present moment. But when I found that my Honourable and gallant friend, Colonel Sir Henry Gidney, came out with figures to show that there has been sufficient progress in Indianisation, I join issue with him. Sir, I have just now got some Classified Lists of Indian railway employees, and a glance at the list of employees will at once convince the House that almost all the names therein, both of the higher appointments as also of the subordinate staff, are mostly European names. Sir, it is not known whether some of these gentlemen bearing European names have a complexion darker than mine, but the very fact that European names find place in it almost exclusively show that they have been given appointments because of European names, and I may take it that probably most of them are not true-born Indians.

Lieut.-Colonel Sir Henry Gidney: Are you a true-born Indian?

Mr. Amar Nath Dutt: I believe nobody can deny that.

Lieut.-Colonel Sir Henry Gidney: Question.

Mr. Amar Nath Dutt: Sir, I beg to draw the attention of the Honourable the Commerce Member as also of the Financial Commissioner and of the Member of the Railway Board who is present in this House to the fact that, in the list of Transportation Inspectors, the names,—Green, Smith, Huntly, Hyrapiet, King, Ogg, Rennick, Rundlett, Clarke, Hard, Hamilton, Voller, Butterfield, Bernil, Hawksworth, Mongney, etc., etc., occur without any break.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): No Indians?

Mr. Amar Nath Dutt: They are Statutory Indians. Let us presume that they are Indians, but that they are a distinct community by themselves, cannot be denied. We have so often heard of the distribution of patronage in the matter of services according to communities. I regret my friend, Mr. Maswood Ahmad, is not here, but at least my friend, Mr. Anwar-ul-Azim is here to press for communal representation in the services.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I, for one, of course, do not want communal representation in any State service whatsoever. But, Sir, if this House accepts the principle that there should not be any test of efficiency, but that, whether these railways were to run at a loss or not, there should be communal representation at certain percentages, I think then alone can they press for communal representation.

Shaikh Sadiq Hasan (East Central Punjab: Muhammadan): But you do not believe in it?

Mr. Amar Nath Dutt: Fortunately I do not believe in it.

Lieut.-Colonel Sir Henry Gidney: But why criticize the other community?

Mr. Amar Nath Dutt: But I ask, if so-called Indians, bearing European names, are to be considered as true Indians, is there not one amongst Indians bearing Indian names, who is qualified to hold a post of these Assistant Station Masters, Yard Inspectors, etc., which are filled only by men with such names as I was reading before this House? Sir, I beg to submit that I have every sympathy with the Anglo-Indian community and I am not one of those who want to stand in the way of their legitimate aspirations.

Lieut.-Colonel Sir Henry Gidney: Thank you.

Shaikh Sadiq Hasan: Only lip sympathy?

Mr. Amar Nath Dutt: Sir, I have been charged with insincerity, but the community about which I am speaking, and its representative in this House I think, knows me too well and I deny the charge. Be that as it may, what I beg to submit is this—am I to understand that Indians with Indian names are not efficient enough to discharge the duties of a Yard Inspector or Transportation Inspector, and so forth, and how is it that we only find the names of such gentlemen bearing European names?

An Honourable Member: Why don't you change your name?

Mr. Amar Nath Dutt: Sir, I have been asked to change my name; it is too late in the day to change my name, and then; probably I shall have to forgo my degrees and sanads from the High Court which is not

[Mr. N. M. Joshi.]

are concerned, it is not my business to give them a piece of advice, but even to them I would say that, the sooner they become educated and compete with others on equal terms, the better for them. If they get educated, time will come when they will not have any need to ask for protection. Let them follow the example of the Parsi community, a community to which my Honourable friend, Sir Cowasji Jehangir, belongs. Their standard of life is not lower than the standard of life of the Anglo-Indians, and, on account of their education, they manage to get higher appointments and keep up their standard. I do not desire that the Anglo-Indian community should bring down its standard of life. In fact, I would rather like all Indians to aspire to reach their standard of life, but they must also remember that, if they try to enter one department of service, there is bound to be jealousy and discontent in the ranks of all people in that service. I would, therefore, suggest to the Government of India that they should take steps to see that no one branch is monopolised by one community. If they want to help, as we all want to help, the Anglo-Indian community to maintain their standard of life, the Anglo-Indians should be distributed over several departments. The Anglo-Indians should be encouraged to receive higher education and to compete with others. The sooner they take these steps, the better it will be both for the country as a whole and the Anglo-Indian community.

Lieut.-Colonel Sir Henry Gidney: As I have already spoken, I wish to ask your permission, Mr. President, to say that when I spoke on Sir Hari Singh Gour's motion before the House for Indianisation, I did not speak on a motion for Ex-Anglo-Indianisation, about which frequent mention has been made by many speakers. With your permission, Sir, I wish to make it abundantly clear that I want to thank Mr. Joshi for his support, but the position, as placed before this House by many Members, is certainly not correct, but a distinct travesty of facts and misstatement of the position.

Sir Cowasji Jehangir: Sir, I hardly ever take part in any debate in this Honourable House which has a communal aspect. But my Honourable friend, Mr. Joshi, has done my community the honour of stating, that we get higher appointments due to our standard of education, and he asked Colonel Gidney and his community to follow our example. Sir, we have not, during the three Round Table Conferences, asked for any privileges (Hear, hear) and we have not asked that any posts even in the Bombay Presidency or that any appointments should be set aside for us. But there may come a time, when my very small community may feel that no appointments under Government are open to them, not because they are not fit to hold those appointments, but because those appointments have been assigned to certain communities (Laughter) and that the appointments left for open competition are very few indeed, and we, a small minority, will have to compete for those very few appointments with the advanced classes, the classes from which my Honourable friend, Mr. Joshi, comes, the Chitpavan Brahmins who are famous throughout my Presidency and perhaps throughout India for their intellectual attainments. Although we do not complain, we have not complained, and I hope the time will never come when we shall have to complain, but I will ask that at least in the Presidency from which we all come and a majority of us live, this Government and the future Government will see to it, that those who deserve appointments amongst my community will not be left out, because we happen to be Parsis (Hear, hear) and do not happen to belong to the

favoured communities like that of my Honourable friend, Colonel Gidney. My Honourable friend's community has been a favoured community and most probably has deserved to be a favoured community. It is sometimes a hardship in this country to have a standard of living higher than those among whom we live. My Honourable friend's community has been suffering from their higher standard of living. We suffer from the same. But I am not stressing my argument from that point of view. It does not matter what our standard of living is. On behalf of my small community, I say that we shall be prepared to take the same pay and the same rewards as any other community, but as time goes on, I do hope that this House will see to it that the number of appointments under Government open for competition will be larger than those reserved for special communities. We are running into that most dangerous position where a majority of appointments may be assigned, before a single application is made, to certain communities.

I remember a time, I do not know whether you, Sir, remember it, when the communal issue was confined to a discussion as to how many appointments should be given to Indians and how many to my friends, the Englishmen. The complaint was that injustice was done to Indians as a whole by a monopoly given to Englishmen of the higher appointments in this country. Those days are gone or will very soon go. I regret to say that we may arrive at a position worse than the position which we complained about and which our great men complained about 20 or 25 years ago. After all, the appointments assigned to Englishmen were very few compared to the appointments now assigned to the different communities in India and to the different groups in India, leaving practically a small percentage for open competition, a small percentage of appointments for men who can prove themselves, before they are appointed, fit to hold the posts to which they aspire. I trust that the day may never come when my successors, if there are any in the future House, may have to make communal speeches and may have to ask for justice at the hands of my Honourable friends. That day has not come and I pray that that day may never come, but I have my apprehensions, and those apprehensions are increasing everyday due to the demands constantly made by small communities for reservation of appointments in every grade and in every sphere of life. (Hear, hear.) Sir, if we are to have Swaraj and if we are to talk of Indianisation, I do hope that we shall talk of Indianisation in its proper light, in its proper perspective, real Indianisation and not communalism. Every time we have a discussion on Indianisation, it gets into a discussion on communalism. We are not talking of communalism, but we are talking of our countrymen holding and being capable of holding higher posts in their own country. We used to talk about Indianisation 25 years ago, but now it is regrettable to find that the conversations and the talks and the discussions always turn towards reserving appointments, perhaps, for men who are incapable and who are unfit to hold those appointments. I have no grievance, whatsoever, against my Honourable friends, the Muhammadans, for they form a very big minority and they have a right to speak for that big minority, but when it comes to a small minority, minorities whose population run into, perhaps, a million or two in a vast country containing 360 millions of people, then we are carrying this question of Indianisation into purely a communal struggle, and that is not going to help the unity of India (Hear, hear), and that is not going to bring us Swaraj (Hear, hear), but it is going to lead us away from Swaraj and away from unity. I can understand my Honourable friends, the Muhammadans, saying "give us a small percentage, because we are one third of the population".

Bhai Parma Nand (Ambala Division: Non-Muhammadan): That is not communalism!

Sir Cowasji Jehangir: You must remember that Muhammadans are also Indians.

Bhai Parma Nand: What about the Sikhs, the Jains?

Sir Cowasji Jehangir: For the sake of unity, for the Muhammadans, who form one-third of the population, I am prepared to concede that a certain percentage should be assigned to them. But the Sikhs and the Jains and everybody else are Hindus, and, if the day comes, when everybody, the Sikhs, the Jains and the Anglo-Indians and all others claim for themselves a certain percentage of posts, then you may say "good-bye to Swaraj, good-bye to anything like a future for this country".

Mr. Amar Nath Dutt: Then why do you concede that Muhammadans alone could demand reservation of posts?

Sir Cowasji Jehangir: I would ask my Honourable friend not to rake up a communal issue of this sort. He himself has admitted it, we have admitted it, the country has admitted it, for the sake of unity, whether we like it or not, that a fair percentage should be assigned to a very big percentage of the population of this country. They do not come forward and say that the Shias should have so much and the Sunnis should have so much.

Bhai Parma Nand: Then why not to the depressed classes? They have been acknowledged as a minority community in the Minority Pact.

Sir Cowasji Jehangir: Whose fault is it? It is your fault. If you will admit the depressed classes as Hindus which they are, and I am sure in 20 years' time you will be prepared to admit that the depressed classes are Hindus and as much Hindus as my friend, Bhai Parma Nand, the day you acknowledge that fact, then the day will arrive when there will be no such thing as the depressed classes or their demanding a certain portion of the reserved seats. I am fully aware of the injustice that has been done already to the caste Hindus

Mr. Amar Nath Dutt: By the Poona Pact.

Sir Cowasji Jehangir: And nobody has protested more strongly than myself, but we go back to the principle that I was trying to enunciate, namely, do not reduce the percentage of appointments for those who are able to apply and get those posts by open competition. That is what I have been trying to stress throughout. I do not desire to mix up that question with the question of the depressed classes. That is what we are getting into and that is not going to lead to good Government. It is not going to lead us to the goal which every one of us desire to get to. In Government service, it is absolutely essential that you should have the best men; and if you force Government to provide that, in the future Constitution, a large percentage of seats shall not be open to those who can hold them due to education and capacity, then, Sir, the clouds, dark as they are, will not rise and it will be a century before any silver lining is seen in those clouds.

Sir, I only intervened, because my Honourable friend, Mr. Joshi, referred to my community, and I do feel that both Mr. Joshi's community and my own community may suffer, because the posts available to us will be only a fraction of the posts available in Government. And if that day comes to pass, God help us all.

The Honourable Sir Joseph Bore: Sir, I am sorry that this debate has strayed into the communal field and, with your permission, I would like to confine my reply to a narrower issue, namely, the issue implied in my Honourable friend, the Mover's motion. In regard to the principle of Indianisation, I do not think there can be any measure of disagreement between Honourable Members opposite and ourselves. We are committed to a policy of increasing Indianisation, and, as my Honourable friend, the Mover, rightly pointed out, that principle was given material recognition in the Lee Commission's recommendations. I think even my Honourable friend would agree that the racial proportions there laid down should at any rate for the present be considered by us as serving all our present needs and requirements. The only question, therefore, now is whether we have or have not, since the adoption of the recommendations made by the Lee Commission, adhered to the proportions that were laid down in them.

Now, Sir, I think that my Honourable friends might have found some little difficulty in extracting figures from the books and statements supplied to them, and I will, therefore, take the opportunity of clearing the issue by giving them, as concisely as I can, figures in respect of racial proportions of recruitment during the last few years. The recommendations of the Lee Commission were accepted in the year 1925 and I think it was from the year 1926 or 1927 that those proportions were put into actual practice in our recruitment. My contention is that we have definitely kept to those proportions, and if my Honourable friend will carefully study the figures that have been given, I think he will find that we have over this period not departed from the proportions which were then laid down.

I will first take the question of recruitment to the Superior Services. In the last four years, on State-managed railways, and those are the railways for recruitment to which we ourselves are responsible, the ratio of Indian recruitment was 74.62 for Superior Services and 79 per cent. for all gazetted posts. It is perfectly true that, during the last three years our recruitment has been diminished very considerably, but Honourable Members know the reason for that. Owing to retrenchment, we have either definitely stopped recruitment or cut it down to a very large extent. Notwithstanding that and notwithstanding the size of the cadre, there has since 1926 been a very considerable movement in the enlargement of the Indian element and the reduction of the European element. Since 1926, when the Indian element of gazetted officers on State-managed railways amounted to 28 per cent., we have progressed to 38.79 per cent. in 1933, the number of Indian officers having increased from 320 in 1925 to 428 in 1933, and the European officers during the same period having decreased from 822 to 677,—a decrease of 17 per cent. My Honourable friends will realise, when they ask for more rapid Indianisation, that we really are limited in this matter by the number of recruitments which we are in a position to make from year to year owing to retrenchment.

Then, Sir, I think my Honourable friend, the Mover suggested,—though he did not make the suggestion definitely,—that there should be more appointments to the higher posts on the railways. On that point

[Sir Joseph Bhore.]

I have more than once in this House expressed my own view. There we are bound by a basic consideration, namely, the consideration of justice towards serving officers. Honourable Members will realise that Indian recruitment on any material scale did not take place till comparatively recently. The result is that the senior officers are largely Europeans. When, therefore, it comes to appointments to the higher selection posts, it naturally follows that the officers who are senior must have their claims considered first. Now, Sir, I can understand the attitude which says that if an Indian and a European officer have approximately the same claims, the balance should be weighed slightly in favour of the Indian. That attitude I can understand, but I am sure that the House like myself cannot and will not agree to pass over a European officer who is efficient and who has superior claims for a post, simply because he is a European. Nevertheless I would like to bring to the notice of the House the progress that has been made in Indianisation even in the higher posts under the Railway Board. Take the Railway Board itself: of 14 superior posts, in the Railway Board today, six are held by Europeans and no less than eight by Indians. My Honourable friend, Sir Hari Singh Gour, wanted statements of the progressive Indianisation of the railway services. I am afraid my Honourable friend does not honour us by reading the literature which is supplied to him. He will find those figures given year after year in the administration reports of the railways.

My Honourable friend, Mr. Joshi—I do not now desire to follow him into a field which I have just now characterised as the communal field—said that he entirely agreed with the principle that there should be no violent dislocation of the economic life of the Anglo-Indian community; but what he did want was that there should be no monopoly by that community of certain grades of appointments. I think possibly to some extent his anxiety will be allayed if I quote to him the figures given in this report on page 58. There we have a statement of subordinates on scales of pay rising to Rs. 250 and over on class I railways: on the 31st March, 1933, there were in this class 1,402 Hindus, 311 Muslims, 2,355 Anglo-Indians, 141 Sikhs, 135 Indian Christians and 178 other classes. It is perfectly true that the number of Anglo-Indians is considerable, but my Honourable friend will realise that a great many of these have been appointed in the past, and, as Sir Henry Gidney pointed out, in the future their number will probably be reduced. (Interruption.) I am not giving way.

My Honourable friend, Mr. Gopika Romon Roy, who, I am sorry to see is not here, made, if I may say so, three misstatements. He said that he was under the impression that England was for the English and Scotland for the Scotch. That, I think, is incorrect. Scotland is certainly for the Scotch, but England also is, I believe, for the Scotch as well. (Laughter.) Then he described himself as one of the hungry millions. If my Honourable friend is indeed in that class, appearances are deceptive. Lastly, he suggested that even now there was some discriminatory treatment in the matter of pay between Anglo-Indian guards and other guards. I speak subject to correction, but I think that is not so in regard to new entrants on State railways.

I think I have covered most of the points with which my Honourable friend, Sir Hari Singh Gour, dealt. If his motion was merely intended

to see that Government is kept up to the mark, that there is no slackening in our efforts in the direction of Indianisation, I welcome the debate which he has raised; but in view of the facts which I have given him—and I hope that I have satisfied him that we have not been failing in our duty in this respect—I hope that he will withdraw his motion.

Sir Hari Singh Gour: Sir, when I moved this motion, I was impelled by the sole desire of drawing attention of the Honourable the Commerce Member to the fact that Indianisation of the Indian railway services must be made a part of his political and official religion, and, secondly, that such Indianisation will be conducive to the economic working of the railways. I find from the Honourable the Commerce Member's speech which he has delivered that he is making a serious effort in that direction; and assured as I feel by the remarks made by the Honourable the Commerce Member that his efforts in the future would be in the direction of Indianisation in a progressive manner, I would ask the permission of the House to withdraw my motion.

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

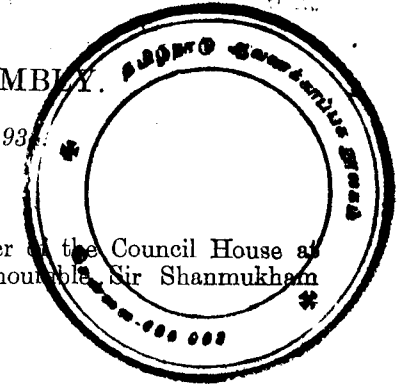
Mr. President (The Honourable Sir Shanmukham Chetty): Tomorrow morning the European Group will have its turn. The un-
5 P.M. attached Members have not come to any agreement among themselves so far; if they come to an agreement and inform the office before the evening, say, about 5-30, then they will get their chance tomorrow afternoon; otherwise the motions in the order in which they stand on the Order Paper will be taken up tomorrow afternoon.

The Assembly then adjourned till Eleven of the Clock on Friday, the 23rd February, 1934.

LEGISLATIVE ASSEMBLY.

Friday, 23rd February, 1934.

The Assembly met in the Assembly Chamber of the Council House at eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.



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

Second Stage—contd.

DEMAND No. 1—RAILWAY BOARD—*contd.*

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of Demand No. 1—Railway Board.

Importance of Road-Rail Co-ordination and of the Organisation of Communication Boards throughout the Country.

Sir Leslie Hudson (Bombay: European): Sir, I beg to move:

“That the demand under the head ‘Railway Board’ be reduced by Rs. 100.”—(To draw attention to the importance of Road Rail co-ordination and of the organisation of communication boards throughout the country.)

Mr. President, at the outset I would refer to the Honourable Member's budget speech in which he stated that the railways would have to meet increasing competition from road transport, and I would also refer to the remarks which fell from my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, on Monday to the effect that it is in the public interest that railways should be protected against uneconomic competition. With both these statements I am in full agreement. Now, Sir, both the roads and the railways of this country are national assets complementary to one another and should not be, in essence, competitive. The roads must serve the railways and the railways must serve the roads. Even more than the roads, the railways are a national asset, and that is so in any country, and, as a matter of fact, a railway is a more tangible asset than a road. In the national interest, therefore, the railways must be maintained in first class working order, and, to enable that to be done, railways must be protected to the extent that will allow them to fulfill the purposes for which they were built. It cannot be for the economic good of the country of the nation if this great national asset is allowed to deteriorate, a consequence which must occur if duplicated transport is allowed to compete at uneconomic levels. The recent past and the present uneconomic competition which has occurred and is occurring in many parts of the country may perhaps be put down to the fact that the development of the railways and the development of road traffic has been in the hands of the different authorities, neither of whom have had that broad outlook which

[Sir Leslie Hudson.]

should enable them to envisage the services road and rail have severally to perform and the directions in which they are to develop in the future. In some cases attempts have been made to redress the balance by taxing motor transport out of existence, and, in others, the suggestion has been made that railways must give place to the road with its cheaper and more adaptable and flexible form of transport. But both these methods are wrong. There is nothing to be gained by placing uneconomic burdens on an industry which is vital for the future development of the roads of India, nor is there any sense in ignoring the railways and in building roads for motor services which merely duplicate the existing forms of transport. (Hear, hear.)

It was with a view to getting a perspective of this position that the Mitchell-Kirkness Enquiry was initiated and that the Road-Rail Conference was held in April of last year. The first resolution accepted by that Conference reads as follows:

"This Conference is of opinion that, in the general public interest, the time has come for increased co-operation and a more intelligent co-ordination of effort between the various authorities and interests concerned, in the matter of:

(a) future railway development, and of

(b) the future development of road communications, whether used for motor transport or other purposes,

so as to secure a more comprehensive and uniform plan of general development than at present exists.

In areas where uneconomic competition between railway and road transport has been proved to exist, such increased co-operation and co-ordination may necessitate the adoption, by mutual agreement, of measures designed to reduce such uneconomic competition to the minimum compatible with the maintenance of healthy competition."

Sir, with the two Honourable Members for Commerce and Industries and Labour working together and in effect forming a sort of Ministry of Communications combining all forms of transport under one head, we certainly have to acknowledge that there has been co-operation—the reason being that both Honourable Members are Members of the same Cabinet and are working together from day to day in co-operation. It is when we come to the Provinces that the situation is different. There, Provincial Ministers and Local Bodies are separately responsible for road development whilst railways are, of course, a Central subject. It was realised last year that the time had come for co-operation and more intelligent co-ordination between the various interests concerned, but, so far as is known to us, very little has yet been done in the Provinces. There is an urgent need for Provincial Communication Boards to be brought into being on which the railway authorities and those responsible for road development and waterways and also representatives of the road users should find place. The Bombay Presidency have set up such a Board of Communications on which road, rail and transport are represented. I should like to know if the Honourable Member can tell us whether any other Province has taken a similar step. Once Provincial Boards of Communications have been set up, the necessity will arise for a portfolio of Communications at the Centre, Communications to combine, as I have said, rail, road and waterways transport. It is most necessary for the country that the development of railways and of road facilities as well as the co-ordination of the present systems of both these means of transport should be focussed in the Centre. That is why I say that in the future we must have a

portfolio at the Centre to cover all forms of communications. It is important from the point of view of the Railway Administrations and of Finance that immediate steps be taken to bring together those apparently, more than apparently, those conflicting interests which have been tending to pursue their own way regardless of the particular duties of each. I believe the matter to be so urgent as to justify the calling of another Road-Rail Conference at a very early date in order to review matters in the light of the resolutions and recommendations come to last year and to plan concerted action to prevent waste of the country's money and of its assets in overlapping competition. (Hear, hear.) The country needs development and not duplication; but having said that, the railways must not think that this is going to save them from competition. They need competition and they need it badly. And here I would say that I do not agree with the Honourable Member, who spoke earlier in the discussions, that the Company-owned railways are not alive to the necessity of looking for business. I do not say they could not do more in this direction, but they certainly have been doing their best to earn a dividend for their shareholders. My own experience of Company-owned railways is that their personnel, generally speaking, look upon themselves as servants of the public, whereas in State-owned railways,—and I speak more particularly of the subordinate classes,—the staff look upon themselves as Government servants; and I suggest there is very often a good deal more than a subtle difference between the two.

Honourable Members, speaking on a previous cut motion, have stressed the importance of improving passenger amenities to attract passenger traffic from the competitive motor services. I would suggest that railways can combat the growing competitive carriage by lorries of goods, and their delivery, by undertaking direct delivery themselves. I am aware that in the case of some railways that is done; for instance, in Bombay, the Bombay, Baroda and Central India Railway have already initiated a very efficient service of delivery direct from the station to the consignees. In England, the railways have bought up a very large share in the great delivery companies such as Carter Paterson, Pickfords and others, in order to control the goods and their safe carriage from door to door. There may not be quite the same opportunity in India to take over such transport companies, but, although that may not be possible on a large scale, there certainly are opportunities in the large terminal points. Passenger traffic, again, should be capable of considerable expansion if quicker, lighter and more frequent services are provided; and for this purpose I should encourage the employment of the Diesel and Sentinel type of haulage in spite of what my friend, Mr. A. Das, said earlier in the debate. I would suggest too that the Railway Authorities should examine the possibilities of the issue of railway and road combined tickets and also combined rates for the carriage of goods from the depot of origin to destination.

My Honourable friend, Mr. Harbans Singh Brar, told me at some length, not long ago, of his experience in the Punjab where motor lorry transport was able successfully to compete with the North Western Railway for the carriage of goods; and I hope the Honourable Member will communicate those experiences, if not to this House, at any rate to the authorities concerned, and I trust he will not find them fall upon deaf ears. As my Honourable friend, Mr. James, said earlier in the Budget discussion, it behoves the railways to push their business, just as much as any other concern with goods, commodities or services to sell has to do, if it hopes and endeavours to continue its existence.

[Sir Leslie Hudson.]

In what I have said, Sir, I do not desire in any way to belittle the efforts of the railways of India, whether State or Company-owned, which have produced the by no means unsatisfactory results which the Honourable Member for Railways has been able to present to this House. What I do want to do, is firstly, to press on those Railway Departments whose duty it is to obtain business for their Companies and for the State, that they should go all out for obtaining that business and not sit still and wait for the business to come to them. Secondly, Sir, I would urge that Government should re-assemble the Road-Rail Conference as soon as possible and that complete co-ordination and co-operation between the railways and road transport should be brought about as speedily as possible.

Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

The Chair would remind the House that today being Friday this debate must close by 12-45.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, while I was listening to the speech of the Honourable the Leader of the European Group, my mind travelled back to a non-official Conference which was held at the instance of the European Group in Simla some time in 1926 or 1927, and, I believe that, of the members of the present European Group, only my old friend, Sir Darcy Lindsay, was present at that Conference. At that Conference the European Members of the Central Legislature approached the non-official Members of the Central Legislature to consider whether there should not be a road policy of the Government of India, so that more motor cars could be sold in India; and at that Conference the idea of an additional petrol tax was broached, and, subsequently, a year after, the docile Government and the Member for Industries and Labour, Sir Bhupendra Mitra, brought his Road Committee report, and we know with what result. Some of us at that informal Conference grew suspicious at this sudden flash of imagination from the members of the European Group.

Sir, we know that our friends, the Europeans, are astute business men, astute politicians and astute Imperialists. When they flung out a programme for India, one liked to see behind, and at that time I remarked to some of my colleagues,—most of them are not present here,—that I believed that was part of the Imperialistic policy. Government want their army to go down in motor cars and in tanks to every part of India; and today the roads are not properly developed and my European friends, in the guise of selling more petrol and more motor cars in India, want to help the policy of British Imperialism in having complete roadways all over India, so that suffering as India was at the time and even now from political depression and the causes and effects of the Congress movement, the tanks will be available for every part, even in distant Chittagong, to suppress any public movement or seditious movement. Thereafter, this Mitchell-Kirkness report came. The railways began to howl. The railways are mismanaged and tottering, and seeking, as we talked the whole

day yesterday, a Statutory Railway Authority, so that the right of criticism would be taken away from this House. While I listened very attentively to the speech of my very esteemed friend, Sir Leslie Hudson, I felt that my Honourable friend wants today to provide Statutory safeguards to these railways so that they can continue their policy of mismanagement in perpetuity. If that system of public transport has failed, let us admit it, let us condemn the railways concerned; but to come to the Legislature today or five years hence and say that we will give this autocratic Railway Board or Railway Authority further power, so that they can eliminate all competition from road transport is not right. Road transport has come to stay; and, in spite of competition, it has exercised a wholesome pressure on the Railway Authorities, although revenues in railways have fallen: it is agitating the minds of those who are administering the railways as to how to reduce rates and fares. But if we give them Statutory safeguard as is contemplated, thank God, my Honourable friend, Sir Leslie Hudson, did not ask these safeguards to be given today or to be incorporated in the new Constitution Bill that is being worked out elsewhere in London; but who knows? Knowing the mind of my European friends and knowing the way in which it works, we may find it incorporated in the new Constitution Bill that there should be no right or liberty given to the citizens of India to run motor transport unless they get the sanction of the almighty Railway Authority. And what is that Railway Authority going to be? It will be a much more powerful body beyond the comprehension of this Legislature and beyond the control of the future Minister of Transport. The Honourable the Commerce Member will reply later on, and he may tell us whether he wants to go back on the promise that he gave on the floor of this House that the Government did not contemplate that the railways should in any way try to control motor transport in this country. I wanted some further light from my Honourable friend, the Leader of the European Group, as to how road competition in England and other European countries has succeeded and whether the railways are seeking Statutory power from the Legislature and from the Parliaments of those countries, so that they could do away with that competition. The only thing that I learnt was that some of the British railways were investing their well earned money in some public carrier motor transport companies. But I would be chary of giving that permission to the Railway Board to invest new capital in public transport companies. The House remembers the debate that took place in Simla over this subject on the floor of this House. Already the railways are very powerful—too powerful. If the railways are allowed to invest money in these public transport companies and eliminate competition, they will control all means of transport, the road transport and the railway transport, and the result will be that rates will go up and goods will be charged high freight and the Railway Authorities will not exercise any control on themselves to reduce their extravagant scale of expenditure, as has been evident from the Budget that has been presented by the Honourable the Railway Member. It gave me no pleasure when I read that a Pope had come from London and that the papal ukase had gone forth that there should be no further retrenchment. That Railway Retrenchment Committee, of which you, Sir, were the President, suggested that a committee of experts should come in that cold weather and look into further retrenchment. Now, this papal ukase has gone forth "There shall be no further retrenchment!" except a paltry few lakhs. When the Railway Administration stands pilloried before this House for their gross mismanagement and for their

[Mr. B. Das.]

utter helplessness in balancing their Budget, when their mismanagement has reached the maximum stage and nothing can save them here, we find they are seeking help through other quarters. My European friends want to give this Railway Administration a new lease of life. They will encourage the railways to compete with other transports and thereby the railways will conceal and go on concealing their maladministration and mismanagement and go on increasing further capital expenditure in creating new road transport companies. I cannot be a party to it, nor can the country be a party to further extravagant capital expenditure by these railways when we know that their mismanagement is such that they cannot even pay the interest on money borrowed by them. The Railway Board and the Railway Member have gone further. They have repudiated their debt, their obligation to the nation. (Interruption.)

My Honourable friend, Mr. Joshi, may recollect that in the Railway Finance Separation Convention, it was decided that the railways should pay Rs. six crores every year to the General Finance; for the last three years they have not paid a sou. I was not present here, but I read very minutely the two speeches of the Railway Member and the Chief Commissioner and also the Explanatory Memorandum they circulated, and I find no mention anywhere of the failure to pay that six crores this year. I know the reason why no explanation was offered. The railways, thinking as they are that the new Statutory Authority will take them away completely from the purview of this Assembly, thought that they could repudiate this six crores debt. I wonder, the Finance Member was not there to show his suffering, the suffering which Indian finances undergo by the failure of the Railway Board in not paying this six crores of rupees every year for the last three years. As long as the Railway Separation Convention has not been annulled by this House, as long as the so-called Statutory Authority has not been created by this House, the railways are bound to pay that six crores per annum, and they ought to show in their balance sheet and in their accounts their debt to the General Finances, which has accumulated to the tune of Rs. 18 crores by this time. Nowhere has it been shown. This at least is one of my serious charges against the railways illustrating their inefficiency. Today this House is in no mood to consider or give any further power to the Railway Board or to those who control the railways

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should conclude now.

Mr. B. Das: I do hope that the Honourable the Commerce Member will repeat the assurance that he gave before that the big railways had no desire to compete with private motor transport, and that he will also give us the further assurance that he does not desire to contemplate any fresh capital expenditure whereby the railways will have further opportunities to go on in their merry career and commit and repeat their mad extravagance.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, there is no doubt that the competition between the rail and road transport is at present very acute. It is much more so in Northern India than perhaps in other parts of the country, for the simple reason that in Northern India the roads

always run parallel to the railway lines for strategic reasons, and as the public as a whole is not looked after properly by the railways and as their general comforts and conveniences are ignored, they generally take to the road transport, because it gives them a better service, a cheaper service and more conveniences.

At many important terminal points in Northern India, we find that for short distances the road transport has almost wholly superseded the ordinary railway goods service in addition to the passenger service. The reason is quite simple. If you want to despatch your goods by goods train, you have to take the goods to the railway goods yard, there you have to wait for some hours to get the attention of the railway Babu, and if it happens to be late in the afternoon, perhaps you will never get his attention, and so either you will have to take your goods back or leave a *chaprassi* or a *chowkidar* there to look after your goods until the next morning when the goods clerk arrives and books the goods. The same thing happens when you have to take delivery at the other end. The road transport provides him with a much quicker and more convenient form of transport. The lorrywalla goes to the shop, loads the goods and takes them to your shop at the other end. This frequently happens between Lahore and Amritsar and at other similar stations like Ambala and Ludhiana. Thus the road transport provides a much quicker and cheaper form of transport at present, and, therefore, the public for their own benefit, both to save time and money, resort to it more readily than to railway transport. If the railways pay more attention to these things, probably they may be able to recapture their own traffic, but as the railways are run more like Government Departments and not on commercial lines,—because the clerks and other officials consider themselves more as public officers and not as servants of the public, and they do not care to cater for the public,—much of the revenues which the railways are losing now can be got back. The passenger services are just as bad as the goods traffic. I know of particular distances between very important stations where the service is the same or perhaps more slack than it was 30 years ago.

Sir Leslie Hudson mentioned about my talk with him some time ago. I mentioned to him that between many very important junctions the service was very slow and that it was very bad. The trains stop at very ordinary station for very long periods, and they take a much longer time to cover short distances than the lorries or the road transport. For instance, between Ludhiana and Ferozepur, which is a distance of 75 miles, the ordinary train takes as much as 5½ hours, though in covering that distance it passes many important stations, but in spite of all this, the service is as slow as it was in days gone by. I believe the time taken was much less five years ago. I know it from personal experience as I have often to travel on that line. The lorries cover that distance in about 4 hours and at a much cheaper cost. The North Western Railway has, during the last few months, resorted to the expedient of reducing their third class fares and they have now brought down their third class rates on this section even to half of their previous rate, but, in spite of all that, they have not been able to recapture the traffic, because people have to wait for longer hours at the stations. The booking clerk would never be at his seat in time, he would never attend to the passengers properly at the booking office till he hears that the train is to arrive in a few minutes, and then there is a big rush at the booking office. A good many people want to get tickets, but since they don't get them, they rush in haste to the platform without tickets and the guard and other

[Sirdar Harbans Singh Brar.]

railway officials push them aside. In this manner the passengers are subjected to a good deal of inconvenience and trouble, and so they quietly go to the other side of the station and get into a motor lorry. There they get a service for perhaps half the railway charge and reach home much more quickly. If the railways attend, as a business concern, to the needs of their patrons, I think they will be able to compete successfully with the road transport, and leave the lorries and other forms of road transport to provide them with feeder services without any loss to the railway services, because, if the railways would look to the comforts and needs of the travelling public in a better manner, naturally they would be able to get back all their passenger traffic, with the result that the motor and other road transport people would naturally have to get back to the feeder services, they would have to get back to roads which do not run parallel to railway lines. Thus these road transport people will provide feeder services which will be a great boon to the railways.

Retrenchment is not sufficiently carried out. From the figures given to us by the Railway Authorities, it is clear that since 1931-32 up to 1934-35 the working expenses of the railways have not gone down, but on the other hand they have gone up. I have taken the figures from the literature supplied to us during the Railway Budget speech, and from that it is apparent that the railway working expenses from 1931-32 have gone up quite steadily. From these figures there does not appear to be any serious attempt having been made to effect retrenchment.

I think, Sir, it is high time that the railways paid better attention to the comforts and conveniences of the travelling public. Give them speedier service, give them cheaper service, give them more conveniences, and you will see that the public will again begin to patronise the railways. If you ignore them, they will naturally resort to other means of transport, and your revenues will go down every year. I would, therefore, suggest to the Honourable the Railway Member and to the Financial Commissioner for Railways that they should pay more attention to the needs and comforts of the railway travelling public in the manner I have suggested. If you were running three trains 30 years ago or if you were running two trains 30 years ago and you continue the same nowadays, that would not serve the needs of the public. They want quicker, cheaper and more efficient service. If the railways will look to all these matters, they will be able to recapture the traffic and compete with the road transport successfully.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): This road-rail co-ordination is a problem which we have to consider very carefully in the future, and I venture to think that we have to consider this matter as a matter of transport rather than as a matter of railways. Sir, it is perfectly absurd for the railways to be managed in the way they are; it is perfectly absurd, to my mind, that they should run their own show and compete with and fight road development. The two ought to be worked together. There are many buses, of course, feeding the railways today, and they are valuable in this respect, but there are also a large number of buses which are competing with the railways as you see hundreds of these buses running on roads parallel to the railways. Suppose there are 5,000 buses and each of them takes Rs. 10 daily from railways, it comes to Rs. 50,000 a day. Sir, I venture to submit that in future we may have to regard the problem of roads and railways together. As there are hundreds of instances in which motor cars run along a route parallel

to the railways in many parts, so I am of opinion that the State in India should retain the power of regulating motor traffic, so that they may not come seriously into competition with the Indian railways. There are also hundreds of places where railways cannot go, where railway enterprise cannot pay and, so far as these places are concerned, they can be connected by motor service. Thus, motor traffic will have to be helped in order to be feeders to important railway junctions by bringing passengers from the interior.

The railways go on increasing, from time to time, rates and fares, and it is in the sweet will of the Railway Authorities alone to put up the rates and fares in any manner they like. If we see from this point of view, then competition seems to be better, for the Railway Authorities will always try to improve the amenities of the travelling public. The motor service people are carrying on their business at cheaper rates and naturally there will be a cry from the railway side and so they will try to make their administration good. Sir, it is no secret that, for lack of proper supervision by the Railway Administration, people are now patronising, in a very large number, private motor transport, and consequently the Railway Administration as a whole are driving their golden customers away from themselves, as rather than suffer the hardship of railway travelling the public prefer to use motor buses and lorries. With these observations, I support this motion.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): The competition between roads and railways has become very keen in recent years in nearly every country so much so that the League of Nations had to institute a special department to study this particular question. I had an opportunity to meet Mon. Haas, who is the Director of this particular branch, and, as a result of his investigations, he said that in the case of competition between road and rail three essentials had to be borne in mind.

The first essential was that private enterprise should not be stifled; the second was that motors should proportionately pay the cost of the road; and the third was that the Legislature should not cripple the free development of road traffic and that the whole thing should be settled by mutual consent.

These are the three essentials on the basis of which we can solve this particular problem. Before I come to the problem in India, I would just refer briefly to the attempts that have been made in various countries to solve this vexed problem. In Switzerland, the railways had a monopoly of the bus service, and later on they gave it up. Subsequently, the competition became so keen, that on the 29th May, 1933, a mutual agreement was arrived at between the railway companies and the bus companies by means of which they settled that the profits and losses of the bus services should be shared equally between the railways and the bus companies and that the fares in rail and road should be the same. In France, the buses are run by the manufacturers of the motor cars. In England, when the competition became very acute, the railways demanded of the Parliament that they should be allowed to run road buses. The Government turned down their proposal in 1919. The railways thereafter purchased the shares of the bus companies and now it is agreed that the railways should not be allowed to purchase more than 50 per cent. of the shares of these bus companies. The best attempt to solve the problem was made in New South Wales in Australia. In the New South Wales Act,

[Dr. Ziauddin Ahmad.]

there is a provision that commercial vehicles can be used within a radius of 20 miles from the station, that only members of the family of the owners and the persons who are recognised to handle the goods are allowed to sit in the vehicles, and that beyond 20 miles agricultural goods should be sent by rail. In the city of Sydney, 612 buses operating in the metropolitan area ceased to operate as the result of the New South Wales Transport Act of 31st October, 1931. In another province of Australia, that is, Victoria, they tried to pass a similar Act several times, but the Legislature turned it down, and no other attempt was made to solve this question.

Coming to India, the problem here is not so keen as it is in other places for reasons which I am going to give now. We are not manufacturers of motor vehicles as European countries are. We have to import these motor vehicles from outside and pay a customs duty to the Government amounting to 37½ per cent. That is one of the most important considerations in discussing this matter. Again, these motors pay an extraordinary duty of ten annas per gallon of petrol which is unique only in this country for the maintenance of roads. The price of petrol is further enhanced as a result of combine which Government connive at. The roads are kept in a bad condition in the Provinces, and the Government have always been indifferent to the repair of these roads. Had the Government taken strong action and kept the roads in good order, probably the life of the motor cars would have been increased and the passengers would have been travelling with greater comforts. This is to the advantage of the railway companies, because people would rather prefer to travel by train than by road if it was possible for them to do so. The next point is that the motor vehicles pay much more to the Government in revenues than the railways do. For instance, a Committee was appointed by the Government of the United Provinces in 1932 on the question of road traffic taxation, and this Committee has calculated the amount which these motor buses pay to the Government in the shape of duty. At page 20 of their report, these figures are given, and they are summarised at page 13 of the report from which I shall read out to the House a short paragraph:

"From the figures shown under appendix I, item 4, will be observed that a motor vehicle pays Rs. 1,250 approximately towards this form of revenue. The economic life of a vehicle being 2 to 2½ years this surely represents a very considerable form of contribution. We would like to stress this point more specifically by pointing out that the 4,663 vehicles operating in the United Provinces (as per figures given in the report) would be paying nearly Rs. 57,54,600 per year in the form of petrol taxation. This figure is based on an average consumption. . . ."

The amount of duty which they pay every year is about Rs. 1,200 per vehicle approximately. Those are the figures of one Province, the U. P., where bus service is comparatively less developed. If we calculate the total amount of taxation which all these vehicles pay in the whole of India, the figure would work out to about Rs. seven crores, and this is really more than the contribution of the railways to the general revenues. It appears that the railways are allowed to import stores free of duty, and, for the last four years, they have not paid even one pie to the general revenues, while the motor vehicles have been paying seven crores a year to the Government in some form or other. So, will it be fair to put the railways in competition with these road services, because railways import all their materials free and avoid payment of one per cent. to the general revenues, and these motor vehicles have to pay a very heavy duty amounting to six crores?

The Honourable Sir Frank Noyce (Member for Industries and Labour): May I ask the Honourable Member his authority for the statement that the railways import their materials free of duty?

Dr. Ziauddin Ahmad: I am glad that my friend drew my attention to it. I looked at the figures in the Railway Budget to find out how much customs duty they paid, and I failed to find out the exact amount of customs duty in the papers supplied to us. From this I deduced that they were not paying any duty at all, but I stand corrected. That is not the important point. The point is this. These vehicles pay an enormous sum of seven crores to the Government in some form or other and our contribution by the railway is left unpaid for the last four years and it is not desirable that we should put railways in such a position that their losses may be greater. I would certainly advocate that the Railway Department should tackle the more important problems before they turn their attention to this particular question. There are two more important questions. One is to try to secure co-ordination among the different railways themselves. We know that the railways are competing with each other, for instance, the B., B. and C. I. Railway and the G. I. P. between Delhi and Bombay compete with each other, and, as a result of their competition, it became necessary to spend a large sum of money to build another railway station, called the Central Station, for the B., B. and C. I. Railway in Bombay. That is the first problem, and the second problem is that we ought to divert the road traffic from such roads where the railways are running to those places where there are no metal roads, and the traffic suffers enormously. We ought to develop the traffic in country places and change mud roads into metal roads. One person calculated the other day that if fifteen carts ran every day on a particular *kutchra* road, then it would pay the interest, the maintenance and the depreciation charges on a new metalled road along that route. If we begin to build the roads in country places, where at present no roads exist, then the road vehicles will divert their attention to those places where at present no roads and railway facilities exist. Therefore, I just conclude with the remark that, before they try to tackle this particular question and try to throw out of employment a large number of persons who are now engaged in this motor traffic, they must concentrate their attention to more important questions, such as the co-ordination among the railways themselves and the opening out of new roads in places which are still undeveloped and where means of communication don't exist or exist in such a form that these are inaccessible for the major portion of the year.

Sir Darcy Lindsay (Bengal: European): I wish to support the motion put forward by my Honourable friend, the Leader of our Group, that there should be very speedy steps taken to bring about co-ordination between the railways and road transport. The request is so reasonable that I hope my Honourable friend, the Member in charge of the Department, will give it his full support. In August last, the Honourable Member said: The Resolutions of the Road and Rail Conference were receiving most careful examination in consultation with Provincial Governments and, he went on to say, that the constitutional position being what it is, considerable time must elapse before securing a beneficial agreement. We all know that the wheels of Government are ponderous and move slowly and, it is with a view to expediting action that this cut motion is moved. The question is one of considerable importance, and it is no use locking the stable door after the horse, or, should I say, the motor cars, have escaped. They are playing havoc with our railways, and, before very long, it may be too late to prevent the injury. In reading the debate at Simla in August last, on the motion

[Sir Darcy Lindsay.]

Railways (Amendment) Bill, I find that the vital question of the preservation of the railway systems of India was scarcely dealt with. To my mind, this is the all important issue. If there is to be no control over transport by road, both passenger and goods, there is likely to be rapid development to secure all the cream for the roads and leave only the skimmed milk for the railways. As we are all aware, railways cannot exist on skimmed milk, and what must inevitably happen is that they will endeavour to raise their rates, if possible on the goods that cannot very well be carried by road or they will have to close their doors. That is a position which, I am quite sure, Members of this House would regard as deplorable, but it will come unless we take immediate steps to bring about co-ordination and save the position.

I was somewhat astounded at the speech of my Honourable friend, Mr. B. Das. He said, he wanted more light. His remarks indicate the existence of such an abysmal darkness that no words of mine, nor any searchlight that I can play on his mind, will be of any assistance. His mind is full of suspicion. Because a member of the European Group has brought forward this subject, there is something behind it. Just what it is, my Honourable friend is not quite sure. But he thinks it has to do with petrol. He thinks it has to do with the manufacture of motor cars in England. Anyway, whatever it is, it is brought forward by the European Group, and, therefore, it is of no use: it will not have his support. Mr. B. Das is a very old friend of mine, and I have always understood him to be a very able engineer, but he is certainly not much good as a railway engineer. Mr. B. Das referred, I think, to the position in England. Well, he may or may not be aware that the railways of England woke up a bit too late to this motor-road transport menace and they are now taking active steps to bring about co-ordination. They are buying up certain motor coach lines: they are buying up Companies to distribute the goods: they carry to the chief towns, and various other measures of that sort are being taken. Mr. B. Das is not prepared to spare any of the Government of India money to bring this about. I also do not want to see unnecessary expenditure, and, therefore, it is all the more reason to bring about this co-ordination that we are asking for. At the moment we are only on the fringe of this competition and it will grow into a menace even more serious than the water hyacinth of Bengal in its insidious growth. The co-ordination we ask for must of necessity take the form of assistance from Provincial Governments as it is the Provinces who can make rules and regulations to govern the road traffic. At present the bus services are largely uncontrolled. As far as I know, they have no insurance to protect their passengers. Any individual can purchase a lorry and fit it out as a bus and he will run that bus just so long as he finds it pays. Therefore, I am not at one with some of my friends in the House in having that great sympathy for the owners of these motor buses.

The North Western Railway is perhaps the biggest sufferer in this competition. I find from the Mitchell-Kirkness report that the estimated loss to the system is very considerable. We also find that in the Punjab a considerable quantity of goods are carried by road, and it is here where the railways are likely to suffer very severely because the goods that are paying the best freight are the goods that are likely to be conveyed by road. Then, Sir, it is light railways also who suffer very considerably. They have been encouraged by Local Boards. They have been encouraged in the past by the Government of India who, in certain instances, guaranteed the

payment of dividend. We find that they are unable to earn the dividend and, therefore, it falls back on the Government of India to meet the charge. The Darjeeling-Himalayan Railway, with its two-foot gauge, is a case in point where the Company has been very hard hit, the passenger earnings having fallen from Rs. 4,75,000 in 1926-27 to Rs. 2,37,000 in 1931-32 in spite of a reduction in fares to try and keep the third class passenger traffic.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Is it not a private company?

Sir Darcy Lindsay: Possibly so, but what does the Honourable Member mean by a private company?

Mr. Gaya Prasad Singh: It is not a State Railway.

Sir Darcy Lindsay: No; it is a public company. The first class passenger earnings have fallen from Rs. 1,12,000 to Rs. 18,000. On this road there is also considerable goods traffic taken by motor. Then take the Kalighat-Fulta Railway, where the earnings of three lakhs in 1925 had dropped to 1½ lakhs, the Government of India having to meet the subsidy of Rs. 52,000. The Barasat-Basirhat is another company that has had to suffer losses. They have added a number of trains to try and meet the competition, but the cost of running those trains has not been recovered by any increase in the passenger traffic. One of the difficulties of these light railways is the regulations as regards speed. I understand a two-foot gauge railway cannot go at a greater speed than 15 miles an hour, the 2½ foot gauge at 20 miles an hour. Now with buses going from 30 to 40 miles an hour along the same route, it is very easy to see that the passengers want to go by bus. If any modification of the regulation can be brought about to assist these light railways, it will be a great boon. They are also handicapped in the way of octroi and other terminal charges that the buses have not got to meet. I have got no axe to grind with motor transport in India. I am all out to encourage motor transport and I think there is ample scope if roads are built from principal railway stations into the heart of the country. I think there is ample scope for expansion in the way of motor transport, and I would even go further and suggest that the railway should offer a subsidy to any individuals or companies who may wish to open out these new routes until such time as they are found to pay.

Now, Sir, referring once again to my Honourable friend, Mr. B. Das, I wonder whether, in the course of his inquiries, he has read the Mitchell-Kirkness report in which it is stated:

"In view of the immense amount of public capital invested in Indian railways and of the paramount necessity for cheap railway rates for the carriage of agricultural staples and heavy traffic, it is not ultimately in the interest of India that the railways should be damaged as a property by extensive competition, or that, in order to pay their way, they should be forced to raise their rates on other traffic."

Sir, I have already referred to the possibility of the railways having to close down. I should have thought my Honourable friend, Mr. Das, as an Indian, and in the interest of India, would do all he could to avoid such a catastrophe. I, Sir, plead for the railway systems of India. I have been for a very long term of years a resident of this country, and I regard myself as an Indian. (Loud Applause.) My home is in India, and, in anything I can do to further the interests of India, I am at India's command. (Loud and Prolonged Cheers.)

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, it was very pleasing to hear from the Honourable the Leader of the European Group—that he was—I mean my friend, Sir Darcy Lindsay—how closely he identifies himself with India's interests, how he has spent the best part of his life in India, and how he has found a home in this country, and that as such he is prepared to devote himself to advancing the interests of the railways in India as much, I believe, as the roads in India. I think, Sir, we are really not at cross purposes, as the Chief Whip of the Democratic Party was almost trying to imply by his speech. This is no occasion for any kind of casting of suspicion or, for that matter, fancying difficulties being created by the Government in the way of flourishing motor traffic. When Mr. B. Das was viewing this question with a certain amount of dismay, I thought he was more of a democrat and less of a socialist, for, if the Railway Department is to take up, to such a large extent as is necessary, also motor traffic, must not a democrat support it, just as a socialist must support it? I would put it like that.

Mr. N. M. Joshi: I cannot understand the point.

Mr. C. S. Ranga Iyer: My friend, Mr. Joshi, says, he cannot understand the point I am making. I think I put my sentence in a rather complex way. I should put it like this to make a socialist like my friend, Mr. Joshi, understand.

Mr. B. Das: Democratise and socialise the railways. Then I will consider the position.

Mr. C. S. Ranga Iyer: If Mr. B. Das wants my support for democratising the railways, he will not get it.

Mr. Amar Nath Dutt: Why not nationalise?

Mr. B. Das: Have democratisation in finance.

Mr. C. S. Ranga Iyer: You cannot democratise finance, for that will lead to bad management. Sir, democracy in the administration of the railways and good management have never gone together in any democratic country in the world, and if Mr. Das, with the suspicions to which he gave vent, were to stand up even by way of interruption and tell me of one country in which democratisation has achieved efficiency in the administration of the railways, I shall bow to him.

Mr. B. Das: Does the Honourable Member recognise that the present railways have got no efficiency in their administration? Does he not agree with me that they are mismanaged?

Mr. C. S. Ranga Iyer: Well, Sir, I may say with all the authority that may attach to one who has studied the working of railways in other parts of the world, our Indian railways are one of the most efficiently managed railway systems of the world (Hear, hear), and Mr. Das will have to make a comparative study of the efficient management of the railways of the world before he destroys this efficiency.

Mr. B. Das: I study it every year in the Public Accounts Committee.

Mr. C. S. Ranga Iyer: Mr. B. Das says he studies it every year in the Public Accounts Committee. It is a little bit of exaggeration, I

think, when he talks like that, for he is not on the Public Accounts Committee of every railway in the world, and I was once a member of the Public Accounts Committee myself and I know that in that Committee you only get the public accounts of the railways in India, not of every railway in the world. Now, if he makes a comparative study, he will find that we are financially sound, and sound finance is the best test of successful railway administration. I am not here on this occasion or on a previous occasion to defend the management of the railways. We ourselves have in season and out of season agitated that the Railway Minister should be responsible to the House. But let me not be side-tracked. I was saying that if my friend wants the democratisation of the railways, he is only asking for trouble so far as the management of the railways is concerned; but Mr. Joshi was asking, "do you want socialisation?" What do you mean by socialisation? By socialisation is meant the carrying on of the administration of a particular department, of a particular railway in this particular case, or of all the railways by the Government concerned. By socialisation is meant the carrying on of the motor traffic in the country, which is a terrific competitor of the railway traffic, by the Government themselves; and how, I ask, can Mr. B. Das, oppose such a move that the Government, I believe, ought to make, and probably are contemplating making, for I find, Sir, in the report of the Railway Board on Indian Railways for 1932-33, on pages 38 and 39, paragraph 49, some of the suggestions of the Government themselves in regard to this particular matter. In July, 1932, an officer attached to the Railway Board and the Road Engineer with the Government of India were instructed to visit the chief provinces, excepting Burma and Baluchistan, and collect from Local Governments and railways information on the following points:

- (a) The extent to which motor competition with the railways had grown and its effect on railway earnings;
- (b) Cases where new roads were required to open up areas at present without adequate communication;
- (c) Cases where branch lines had been projected, but not constructed, and where new or improved roads might more economically serve the area; and
- (d) Cases where feeder roads were required to afford agriculturists, etc., easy access to railway stations.

Therefore, it is very clear that the Railway Administration has been casting its eyes on motor traffic, and their conclusions might as well be communicated to this House, as probably Mr. B. Das in his numerous party engagements has overlooked the purpose, the socialist purpose as he should think from his point of view, that the Government have in view.

Mr. B. Das: Or the capitalist point of view.

Mr. C. S. Ranga Iyer: Well, here is my friend who calls the Government a capitalist, and this is a new theory which I cannot understand. My Honourable friend, Mr. Joshi, who is a better student of socialism, is silent, and, therefore, he, at any rate, understands what is capitalism and what is socialism. It is very difficult to educate my Honourable friend, Mr. Das, unless I propose to be irrelevant in the course of this debate. But, in spite of this interruption, let me try to go back to my argument.

[Mr. C. S. Ranga Iyer.]

The more important conclusions in the report have been summarised in the report of the Railway Board in the following terms:

"Excluding Madras, 30 per cent of metalled roads in British India are parallel with railways, while 48 per cent. of railways have metalled roads parallel with them and within 10 miles. Any comprehensive plan of road development should, therefore, take into consideration . . ."

--here I am reminded of one of the splendid suggestions that you, Sir, made when you were on the Opposition Benches which I believe has been taken into consideration—

"the possibility of linking the more important villages with the public road system rather than aim at further trunk roads parallel to the railway system".

Your suggestion, Sir, if I remember aright, was to run all roads hereafter, not parallel to the railways, but rather horizontally, so that the motor traffic would feed the railway traffic.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhamadan Urban): The Honourable Member means at right angles.

Mr. C. S. Ranga Iyer: Yes, I mean that. I am very weak in geometry (Laughter) and I was trying to refer to the speech of the President. What I mean to say is this, that the roads are now running parallel to the railways altogether. I can well understand my Honourable friend, Dr. Ziauddin Ahmad, being amused by my geometrical difficulties. (Loud Laughter.) What I mean to say is this that the roads are being run parallel to the railways, and, henceforward, they should not be running parallel to the railways, but exactly at right angles, in the opposite direction. There are two parallel railways running in certain places; for instance, take the Podanur and Palghat line; there is the Podanur and Pollachi line both of them are more or less parallel to each other, not quite that, there must be some kind of angle between them (Laughter), I admit. What I mean to say is that they are more or less running parallel to each other, and I want that the motor traffic should run in the opposite direction, speaking angularly (Loud Laughter), namely, from the Palghat Railway station straight to what you call Minakshipuram, that is, exactly opposite to Palghat, so far as the Palghat line is concerned, but, as mentioned by my Honourable friend, Diwan Bahadur Mudaliar, not exactly at right angles, but nearly so, so that, instead of a connection on parallel lines, the motor traffic will be able to feed both Minakshipuram and Palghat. I think I have probably supplied some amusement to this House by talking of angles, verticality and horizontality and parallelograms. (Laughter.) What I mean is exactly what the Government have put in their own way. (Hear, hear.) I had better read what the report says. It says "for these reasons the solution in many cases may lie in the railways themselves operating motor transport on parallel roads". As there is motor traffic at present on parallel roads, I do not see why railways themselves should not be entitled to operate the motor traffic on parallel roads. The roads, which are running at right angles from these parallel roads, that is to say, which can be feeder roads to these railways, must not be run by the Government themselves. What I want is that while the Government are most perfectly entitled to call away all these competitors, who are running their motor traffic on the parallel roads, thereby decreasing the railway passenger traffic earnings, Government are perfectly entitled to commandeer the complete competition on these roads.

Mr. B. Das: No, no. We shall never give license.

Mr. C. S. Ranga Iyer: I know that the Government do not intend to go so far, and, therefore, my Honourable friend, Mr. Das, need not be afraid. I say that the Government must take up this motor traffic, because this motor traffic is conducted most inefficiently. These lorries and these buses are most inefficiently conducted. In the first place, they are bad, in the second place, they are dangerously run, in the third place, they have no punctual timings, and I am perfectly certain that if the Government run these buses as well as they are run in England, if they introduce those lovely buses which they have introduced in England, if they will introduce those mail-coaches that are found in England, and if the Government run them on parallel roads, then I am perfectly certain that, what they lose in the competition, they will gain in the other way, and when the Honourable the Commerce Member again stands on the floor of the House, he will not say "that in goods traffic, we have increased our revenue, while in passenger traffic, we have lost our earnings". Sir, if you take up separately every little volume supplied to us in regard to the revenue of the railways, you will find that in every railway the goods income has gone up and the passenger traffic income has gone down. Why should this be so? It is because of the competition of the buses, and, again, in the interest of the competitors themselves, if we introduce this running of buses at right angles to the railway roads and the parallel roads on which Government should operate hereafter, it will be good for the bus conductors themselves who are private owners because at present there is cut-throat competition amongst them. There is no regularity of the price for tickets, there is no regulation about them, today the price is four annas, tomorrow it is six annas, and, on the third day, it is eight annas, and the man who is able to stand the longest with the lowest ticket occupies the field at last and raises the price at a later stage. Therefore, Sir, even in the interest of these competitors, it would be necessary to control the bus traffic on the parallel roads by the Government themselves operating upon them and leaving the bus conductors to the feeder roads and increasing the number of feeder roads. That will also facilitate or rather develop the railways.

I shall now conclude by completing this one sentence, namely, that the Government themselves are considering that they may have to abandon certain projects in favour of good roads, and, judging from their report, the projects, which could probably be abandoned in favour of good roads, and projects, which cannot probably be justified owing to existence of good roads, will not be proceeded with. I presume that all Honourable Members have read this report, and I have only to ask the Honourable the Commerce Member if he will consider or if he has already moved the Secretary of State to introduce similar legislation in Parliament regarding this road motor competition as stated in the official report with a view to giving the railways having contracts with the Secretary of State the power to run motor services.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair has been told that the unattached Members have not given notice of any cut for this afternoon. Therefore, the cut motions in the order in which they appear on the Order Paper will be taken up. The Chair also understands that quite a number of Honourable Members would like to speak on this motion. If it is the unanimous desire of the House that this debate should continue . . .

Some Honourable Members: No, no.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): I understand that my Honourable friend, Mr. Sitakanta Mahapatra, has obtained the signatures of certain Honourable Members.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Only of one Member. There are many unattached Members who have not signed the agreement.

Mr. President (The Honourable Sir Shanmukham Chetty): There is not that unanimity which would warrant a variation in the understanding that has been arrived at. The Chair will now call upon the Honourable Sir Joseph Bhore to speak.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, my reply to the debate might very well have taken the form of a series of quotations from speeches which I have delivered with reference to this subject during the past year, and, though I have very little to add to what I have at one time or another said, I am sure the House has welcomed a debate on a matter of such vital importance to the economic life of the community.

My Honourable friend, Sir Leslie Hudson, made reference to the Road-Rail Conference and expressed the hope that another such Conference might assemble at a very early date. May I remind him of what I already said with regard to that Conference? I pointed out that it had engendered the hope that there would be in the future a large measure of co-operation between the Central Government, Railways and Provincial Administrations, a co-operation which was essential if the best interest of public communications in India was to be served. Now, sir, the Conference which was held last year is being followed up by references to the Local Governments, and unless these references result in something tangible, another Conference would obviously be somewhat premature. But I have no doubt that my Honourable colleague, the Member in charge of the Industries and Labour Department, will give careful attention to the points that the Leader of the European Group has made in this connection.

I think, Sir, it is unnecessary for me to do more than confine myself to the more purely railway aspects of this debate, because other questions arising out of this road rail problem will, I hope, be discussed later. The House will certainly have an opportunity for an exhaustive examination of these questions when my Honourable colleague brings forward his Resolution in regard to the Road Fund.

Then, Sir, I come to the question of competition; and here let me repeat what I said in my Budget speech. I there said:

"What in the interests of the country the Railways are chiefly concerned with is, the elimination of wasteful competition and the utilisation of the available resources of the State to the best possible advantage of the public. It is obviously, for instance, in the public interest that such limited funds as there are should be spent on opening up unopened tracts rather than on duplicating existing lines of communication."

I want to make it perfectly clear that, so far as competition is concerned, we do not take the position that we resent that competition. We realise that competition has come to stay. But what we do complain of is

uneconomic competition. I will give the House an example of such competition which was mentioned by an official representative at the last Rail-Road Conference. He pointed out that bus competition in certain localities had reached such a stage that rival companies were in some cases even carrying passengers free, and he went further to say that in one particular case one rival company had offered to carry passengers free, and, I think he said, to give them a banana and a handkerchief into the bargain. (Laughter.)

Mr. Gaya Prasad Singh: This was started by the steamer companies first.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): We learnt it from our European friends there.

The Honourable Sir Joseph Bhore: Well, Sir, Railway Administrations cannot embark on competition of that character. My Honourable friend, Sir Leslie Hudson, asked whether communication boards were in existence in Provinces other than Bombay. I think either communication boards or boards which answer more or less the same purpose, certainly road boards, are in existence in most Provinces. I am not in a position to say whether they function satisfactorily or not; but if my Honourable friend means a board which extends its purview, not merely over roads, but over other forms of communication as well, then I am afraid I am not in a position to give him definite information. I do not think that such boards do operate in the Provinces.

Then, Sir, there was a complaint that one of the reasons why railways were suffering from this competition was that they had failed to move with the times. I think Honourable Members who mentioned the slowness of our trains did the railways less than justice. I think everybody who compares the railways of today with the railways of even ten years ago will realise what improvement has been made. (An Honourable Member: "In trunk lines?"). In trunk lines and long distance traffic. A large number of Members of this House are personally interested in the running of what is known as the Grand Trunk Express. I think Honourable Members know that both the Chief Commissioner and I have gone very carefully indeed into the timings of this particular train and to the possibilities of improving matters; and the real difficulty, as far as I can see it, is this. The bulk of the traffic, third class traffic, by that train is traffic which is not long distance traffic. The result, therefore, is that, if we were to run a fast long distance train over this route, we would have to run at a very heavy loss indeed. That, Sir, is a real difficulty which concerns not only this particular train, but a good many other trains to which Honourable Members have referred.

Then, Sir, on the question of internal competition between railways, I am faced with a certain difference of opinion in this House. My Honourable friend, Dr. Ziauddin, said, "Why do you have internal competition between railways?" I leave him to other Members of this House who hold an exactly opposite view. My Honourable friend, Mr. Ranga Iyer, was, I am afraid, responsible for a somewhat cloudy statement, if I may say so, in regard to the actual alignment of roads in the future. I can only say that I am sorry that he did not adhere to his original suggestion that roads should be vertical, because, then, our debate would undoubtedly have reached more ethereal spheres. I would emphasise one thing, and that is that it is an entire mistake to suppose that railways are at the

[Sir Joseph Bhore.]

present moment continuing an attitude of "Take it or leave it". I think I have made that clear both here and in another place, and I will take every opportunity I can for removing such an impression if it does exist anywhere. Perhaps I cannot do better than, in conclusion, quote from a speech which I made at the last Railway Conference, and which, I think, crystallises as clearly as I can the attitude, not merely of myself, but of the Railway Department towards this most important problem. What I then said was this:

"I believe that co-ordination of transport services is absolutely essential, especially in a poor country like India, if development is not to be unduly or improperly delayed. I am myself by no means pessimistic, and hope that, despite the admitted obstacles to co-ordination, it will in some substantial measure be eventually secured. But it is not on co-ordination alone that railways must rely. I do believe that there is only one sure way in which the railways can hope to meet the competition which unforeseen developments of the future may have in store for them. What these developments will be it is impossible to prophesy today, but for such developments they must be prepared. It is only on the one hand by increasing the efficiency of railways on the technical and administrative side combined with the utmost economy in working, and, on the other hand, by straining every nerve to increase their utility to the public, that railways will be able to face a competition that must inevitably grow with the years. Railways can ultimately only ward off the competitive challenge of their rivals if they realise, as I know they do realise, that they must offer something more attractive to the public than that which their rivals can give."

That, Sir, I venture to think, presents the policy of the Railway Department. I trust that it is a policy which will meet with the endorsement of this House. I feel certain that it is the only possible policy which we can adopt if we are to meet the circumstances of the future. After what I have said, I hope my Honourable friend will not press his motion.

Sir Leslie Hudson: Sir, I must thank the Honourable Member for his remarks. I think the debate has brought out one or two points—possibly more. With the exception of the rather curious suspicions, and, if I may say so, somewhat illogical exaggerations of my friend, Mr. B. Das, who, although an electrical engineer himself, certainly does require more light, I think the debate has been useful. In view of the remarks which fell from my Honourable friend, Sir Joseph Bhore, in which he hinted that, under certain conditions, his colleague would be calling a further meeting of the Road-Rail Conference, I do not wish to pursue the matter further. I can only hope that my Honourable friend, Sir Frank Noyce, will realise that this is a matter where speed is required, just as speed is required on certain of the railway lines in India. To take five and a half hours to go 75 miles is certainly not break-neck speed, and I hope that Sir Frank Noyce will not set that example to the Railway Authorities by delaying a meeting of this Road-Rail Conference longer than is necessary. Sir, I beg leave to withdraw my motion.

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

The Assembly then adjourned for Lunch till Two of the Clock.

The Assembly re-assembled after Lunch at Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. President (The Honourable Sir Shanmukham Chetty): Motions will now be taken in the order as they appear on the Order Paper. The Chair-

would just like to make one observation. The first two motions which stand in the names of Mr. Gopika Romon Roy and Sirdar Harbans Singh Brar ought to be considered as motions intended to refuse supplies, and the discussion must be not in relation to specific grievances, but in relation to the general maladministration of the railways, and Honourable Members must bear that in mind when they take part in the discussion. Only one such motion will be allowed, and, when that motion has been disposed of, other similar motions are barred. As to which particular motion is to be taken up, it may be said that the Chair has been told that Sirdar Harbans Singh Brar was the first to give notice, and, therefore, he will have priority. He will move the motion that stands in his name.

Maladministration of the Railway Board.

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

"That the demand under the head 'Railway Board' be reduced to one rupee."—
(Maladministration of the Railway Board.)

Mr. President (The Honourable Sir Shanmukham Chetty): Time limit will be strictly enforced.

Sirdar Harbans Singh Brar: Mr. President, we have this huge system of railways in India, and the Railway Board supervises it. We have to consider on this motion whether the Railway Board performs its functions in such a manner as to justify the Demand for the Grant. It appears that the Railway Board merely act as a post office. Whatever the Agents put forward, they simply agree to their suggestions, and the Railway Board themselves do not perform any functions, either of supervision or control. We have been witnessing the huge extent of maladministration that exists on our railways. Crores and crores of rupees are being wasted on schemes which afterwards prove to be failures and a public scandal. I will take the general items of maladministration in a particular order. Let us, for instance, take first the bridges and other constructional work. The Hardinge Bridge has alone cost as much as 3½ crores to the Indian taxpayer, and, within a few years, we find that the bridge has not proved to be strong enough to function as it was designed to function, and no less than a crore and a half more is needed to repair that one particular bridge. What work are the engineers doing? Either their estimates were absolutely beyond the mark, or they chose bad contractors. Is the money of the Indian tax-payer only to be raised by way of revenue to provide commission either to the engineers or to the architects or to the contractors to enable them to fill their pockets, because it has been found that within a short period these constructional works cannot meet the requirements for which they were built? Had the Railway Board utilised all this money for opening out new lines in areas where the railways do not exist at present, we could have at least 800 miles of railway instead of a single Hardinge Bridge. What special service has this bridge rendered we do not know, but one thing we know, and that is, that it has proved a huge failure, and the tax-payer is now being asked to provide another 1½ crores to repair it, but this sum alone would have given us another 800 miles of new railway in areas which have no transport facilities at present.

Similarly, with regard to railway workshops, there is too much of duplication. In Madras alone, we find that every railway system has got its own workshop. Why can't they combine together and have one common

[Sirdar Harbans Singh Brar.]

workshop? Why should there be so much duplication? Crores of rupees can be saved if all these workshops combine, and with that saving speedier and more efficient service can be rendered to the people.

Then, there is the ruinous policy of freight rates. We find that particular commodities of less service to the community at large are being treated at special favoured rates out of all proportion to either the classifications or the schedules. Food grains, for instance, are treated in the worst manner possible, while other commodities, much less useful to the country at large and much less advantageous to the people, are being transported at much lower rates, because it serves certain particular small interests. Agricultural food grains are charged at much higher rates than even coal. I just had a memorandum on that subject, but somehow during the luncheon hour I mislaid it, and I am not in a position now to quote the figures; but I can say that the lowest minimum for food grains is .1 of one pie per mile, while for coal it is .05 per mile per maund. Such inequalities of rates act in a very detrimental manner to the general interests of the tax-payer and the masses. The price of wheat in the Punjab is now about Rs. 1-8-0 per maund, and the freight charges from the Punjab to Calcutta by special ways of calculating up to terminus junctions on different railway systems and then adding them up works out to Rs. 1-2-0 per maund. It is cheaper for the Punjab people to send wheat to Karachi and then by sea to Calcutta than to send it by railway from the Punjab to Calcutta. The railway systems, as they are administered by the State for the welfare and benefit of the people at large, must consider the interests of the general public, and not simply to classifications and to the fictitious rules they have framed. One cannot understand these classifications. You see the rates, maximum and minimum, and the subjects are mentioned within those classifications, but then you find in actual practice that the rates charged are out of all proportion either to that minima or to the maxima; special rates are given to certain items mentioned in those very classifications. That proves that favoritism for particular commodities is being shown by the Railway Administration, and the Railway Board is responsible for all that. If they had adopted the policy of covering the out of pocket expenses for the transport of these articles, or if they had said that over and above that there must be so much percentage of profit, one could have understood the position. If all their out of pocket expenses can be met by transporting coal at .05 per maund per mile, certainly the out of pocket expenses on wheat could be met in the same manner, because it is easier to transport wheat than coal, it is of uniform weight, and the wagons could be loaded up to their full capacity, but these things do not come to light; ordinary people do not know how these rates are worked.

Then, I come to the question of conveniences to passengers. All countries provide return tickets, and, for special fairs and pilgrimages, special return fares are charged. But India is a country which is by no means Christian as a whole, and yet concession rates are given for Christmas and Easter, but not for Holi and other festivals, nor for pilgrims to Hardwar, Amritsar, Muktesar and Benares, where lakhs and crores of people go and visit every year. The trains are overcrowded, but no head-
tion of electricity in the carriages does not cost much; electricity is generated by the motion of the trains and the railways can as well provide

fans in the third class carriages. The third class passengers do not get any convenience either within the carriages or at the railway stations. The majority of the stations exist in rural areas from where the masses generally come. They do not have any sheds to shelter them either from rain or from the heat of the burning sun. Water arrangements and such other things are equally bad. Very few and very inconvenient waiting rooms are provided and the booking arrangements for third class passengers are very bad. The third class passengers are treated as cattle by the booking clerks. The booking clerk turns up a few minutes before the train is scheduled to depart, and the passengers are pushed up and down the platforms. The train services are simply very bad. From Rewari to Fazilka, a distance of 260 miles, it takes 20 hours for a train to reach there. Between Lahore and Delhi, the trains are stopped for two hours and 2½ hours at junction stations. Why so much halt, and it is simply beyond one's comprehension why people should be made to sit in those tight compartments for such a long time when they have to cover this distance.

Another thing is that these railways are not run on economic lines. Why do you not transfer the strategic lines to the Military Department? Why should the British soldiers be allowed the concession of paying a third class fare and travelling in a second class carriage, thus crowding the second class passengers who pay full second class fares? It is simply scandalous that Indian soldiers are not treated in the same way as the British soldiers in the matter of this concession.

When we tell the Railway Member to treat the staff of the railways on commercial lines, that is, whenever there is a profit the staff should get a bonus, and whenever the railways make a loss the staff should share that loss—the Government tell us that the railway being a Government concern, it cannot be treated in a manner different from that of the other Departments of the Government. Then, why issue concessions to railway servants? They have got free passes to travel throughout India, simply crowding the trains without paying any railway fares. Why not you then give free passes to other servants of the Government? Do the post office allow their servants to have free postage and free telephone and telegraph service? Certainly not. Why not treat your employees in a similar fashion? It is beyond one's imagination how this commercial department is being mismanaged. The predecessor of the present Financial Commissioner of Railways had the audacity to tell the Railway Retrenchment Committee that they allowed free passes to their servants, because it did not cost them anything. Imagine such a financial theory propounded by a financial expert who manages the railways? If all those people who were travelling free were to pay the railway fares as ordinary people do, how many lakhs and crores of rupees would accrue to the railway coffers? That is not taken into account. Every employee getting Rs. 100 or 150 and above gets a second class pass, and I have not seen a second class compartment which is not overcrowded by these free pass holders, and they get even their reservation without paying any fee, because they belong to that masonic lodge known as the Railway Department.

A Pope Committee cost us as much as three lakhs of rupees to sit, and the initial reduction in expenditure, as a result of its recommendations, is only Rs. 7½ lakhs. Fancy as if somebody in the Government of India

[Sirdar Harbans Singh Brar.]

could not manage such a retrenchment sitting in the office of the Railway Department here, and they had to bring out a man from Britain to effect an economy of Rs. 7½ lakhs at a cost of Rs. three lakhs!

In the Punjab, in certain areas, people are used to have their pumps or tube wells at a cost of Rs. 60 or Rs. 70 per pump, and the North Western Railway, in order to provide water at flag stations to the railway staff consisting of three or four persons, had to spend Rs. 1,200 each to have these tube wells. The Chief Engineer of the North Western Railway admitted that the cost was Rs. 1,000, but the reason he put forward was that they had to reach much lower depth. When the villagers get as good water from those pumps which cost Rs. 60 or 70 to put up, and when the Government officials, such as sub-divisional officers, magistrates and others are taking water from those water pumps, which only go a depth of 30 or 40 feet, what was the necessity for the railway to go 200 feet deep, except for the benefit of the engineers and the contractors, and to spend Rs. 1,000 on a tube well which ordinarily costs between Rs. 60 and Rs. 70?

In these circumstances, I think the Railway Board performs no useful function whatsoever except to act as a post office passing the demands of the Railway Agents to the Government of India. The Agents can as well manage the railways and the Member for Railways can deal with the Agents direct without the use of the Railway Board, which costs us such a huge sum, but exercises no control over the expenditure of the public money on such huge projects as bridges, etc. I would, therefore, suggest that the demand should be reduced to one rupee so as to refuse them supplies.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Railway Board' be reduced to one rupee."

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I oppose the motion moved by my Honourable friend, the Sardar Sahib. As a member of the Railway Standing Finance Committee, I think my Honourable friend is not justified in moving this motion, as he should realise that he himself has passed this demand which he wants to be rejected now.

Sirdar Harbans Singh Brar: I got these figures afterwards.

Mr. M. Maswood Ahmad: Whatever may be our grievances, whatever may be the trouble, we must realise that there must be some Central Authority to co-ordinate the different railway systems in India. If this motion is adopted, what will be the result? There will be no Railway Board, and it will not be possible for my Honourable friends, Sir Joseph Blore and Mr. P. R. Rau, to stand up here and give replies to our questions. I think it is a wrong use of the convention for Members to give notice of such motions for refusal of supplies and get preference over others who want to ventilate their grievances against the railways before this House. It will not be possible for the Honourable Member to reply to the points which may be raised from different sides of the House in this connection. Certain aspects of the Railway Administration have been

dealt with by my Honourable friend, and on those grounds he wants to reject the demand for the Railway Board. But, here, again, I may say that a certain Member may want that the Railway Board should be abolished on account of inadequate Muslim representation, another Member may say that on account of the very unsatisfactory Sikh representation the Railway Board should be abolished. Others will say that, on account of there not having been a raised platform on a particular station, the Railway Board should be abolished. If questions like this are raised, then how will it be possible for my Honourable friend, the Railway Member, to reply to all the points in this way? It is better that a particular policy is discussed in a token cut, so that the Honourable Member may be in a position to reply and place the whole facts before us. No doubt there are many grievances brought forward by my Honourable friend. I entirely agree with him, so far as his facts and arguments are concerned, and I hope my Honourable friend sitting over there will consider them, but I oppose the motion on a question of principle. In connection with the freight on agricultural produce, I feel very strongly that Government should do something. The charge for carrying grain from one place to another is very high. I am very sorry I cannot place all the facts in this connection on the present occasion, because I have opposed this tactic of getting priority, but I intend mentioning them when the token cuts will come.

Sir, I oppose the motion.

Kumar Gopika Romon Roy (Surma Valley *cum* Shillong: Non-Muhammadan): Sir, at the outset I should like to say a few words. I have very great respect for the Member in charge personally, and I have also very great regard for the Members who sit opposite; but when I represent my constituency, I have no other alternative but to criticise them in the strongest possible language and with all the emphasis that I can command.

I moved in 1931 on the 25th of February a cut motion on the floor of this House on the maladministration of the Assam-Bengal Railway, when I narrated in great length about the mismanagement that were indulged in, and the consequent inconveniences witnessed and experienced in the Assam-Bengal Railway. In the middle of my speech, the then Speaker of the House, Sir Ibrahim Rahimtoola, remarked:

"He has made an overwhelmingly strong case for his motion. I hope the Honourable Member will be satisfied with the strength of the case he has put before the House."

The then Commerce and Railway Member, the Honourable Sir George Rainy, said in reply:

"At the same time, the House would be ungrateful to the Honourable the Mover if they did not desire the Government should pay attention to the various points he has raised, and, in so far as he has shown that things are not entirely as they should be, to see what can be done to make an improvement."

In another place he said:

"I will certainly read his speech carefully and see what can be done. I think one thing we might do. I do not think any Member of the Railway Board has inspected the Assam-Bengal Railway, since Sir Austen Hadow did so 18 months ago, and, therefore, in the ordinary course I think it is likely that one of the Members of the Railway Board will be going there before long, and that would be a good opportunity to look into the various points which have been raised and to see whether anything can be done."

[Kumar Gopika Ramon Roy.]

In conclusion, he said:

"I hope my Honourable friend, the Mover, will be satisfied that we will look into the points he has raised and see what we can do."

I, on the assurance of the Honourable the Railway Member, withdrew my motion, and thought there was really something in the mind of the Honourable Member to do for us behind his assurance. Sir, this was not the first time that I ventilated my grievances on the Assam-Bengal Railway.

On the 13th of March, 1930, on the floor of the Assam Legislative Council, I moved the following Resolution:

"This Council recommends to the Government that immediate steps be taken to urge on the authorities concerned to make the following improvements for the convenience and safety of the passengers in the Assam-Bengal Railway and for the general public:

(a) That raised platforms under proper sheds be constructed at all the stations in the Assam-Bengal Railway.

(b) That facilities be provided for the passengers while travelling by trains in the Assam-Bengal Railway to have their meals and baths at proper times.

(c) That the Assam-Bengal Railway Company be asked to introduce the system of issuing ordinary and week-end return tickets to all classes of passengers as are prevalent in other railways.

(d) That the Assam-Bengal Railway lines be protected by proper fencing to avoid accidents."

The Honourable Member in charge of Railways in Assam, Maulvi Saiyid Sir Muhammad Saadulla, said in the beginning of his reply:

"But we in the Public Works Department had to protest to the Legislative Department, and whether this was pointed out to His Excellency, I do not know. We did protest to the Legislative Department. The Resolution has, however, been admitted. Under definite instructions from the Government of India, we the Government Members cannot discuss this Resolution. All that I can, therefore, say is, that if there is any discussion over this question by non-official Members, I will submit the proceedings of the discussions to the Government of India, who may place it before the Railway Board for any action they may consider necessary."

In another place, he said:

"As I said before, if there is a discussion on this subject and Honourable Members want to put forth any of their grievances against the Railway, I will duly send the proceedings to the Government of India for any action they think proper."

To this the Speaker of the Assam Council, the Honourable Maulvi Faiznur Ali, said:

"I have made a statement on the point raised by the Honourable the Judicial Member that although this is a Central subject, Rule 22 does not empower me to disallow any Resolution which may be considered by the Government either to be detrimental to the public interest or which relates to a subject which is not the primary concern of the Local Government. Accordingly, if there be any local grievance and the Resolution be in order, although it is a Central subject, I admit it."

I think the House will be interested to hear what the then Vice-President of the Executive Council, the Honourable the Finance Member of

Assam, the Honourable Mr. A. W. Botham, said in connection with this Resolution:

"Perhaps I may intervene for one moment, Sir. I think my Honourable colleague's position is not so much that the matter should not be discussed in this Council, the matter is one which might have been disallowed by His Excellency, but the Resolution has not been disallowed by His Excellency, and, so far as I can see, there is nothing to prevent it being discussed in this Council. But what my Honourable colleague says is, what he considers, to be the correct attitude of the Local Government in the discussion. That is to say, he is unable to take any active part in the discussion, but he is prepared to forward the discussion to the Central Government for such action as they may think fit."

The Resolution was put and adopted. So, Sir, it is obvious that the Resolution moved in the Assam Legislative Council was also forwarded by the Member in charge to the Railway Board as mentioned by the Member in charge in his speech. Hence, I think, I should not labour much to prove that the grievances in the Assam-Bengal Railway which the Assamese do suffer reached the ears of the Railway Board in 1930 and are still reaching.

A perusal of the debates that took place on that date on the floor of the Assam Legislative Council by various Members from various parts of Assam will bear me out as to the seriousness of the inconveniences that are felt by the inhabitants of the Assam Province. Sir, in 1931, while discussing the Railway Budget on the Demands of the Railways, I tabled a few cut motions to ventilate the grievances, on the floor of this House, of the travelling public on the Assam-Bengal Railway in the Province of Assam, viz.:

- (1) That the demand under the head 'Railway Board' (pages 1-2) be reduced by Rs. 100. (Maladministration of the Assam-Bengal Railway.)
- (2) That the demand under the head 'Companies and Indian States Share of Surplus Profits and Net Earnings (page 26) be reduced by Re. 1.' (New Introduction of First and Second Class Return Fares in the A.-B. Railway while passengers travel only on the Assam-Bengal Railway.)
- (3) That the demand under the head 'New Construction (page 27) be reduced by Re. 1.' (Reckless Managements of the Assam-Bengal Railway in the newly constructed lines.)

All these cut motions appeared in the printed list, and I am pretty sure that copies of these lists also reached the Members of the Railway Board. Hence notices for redress of grievances have also not escaped their notice in 1933. Unfortunately, Sir, I had not the chance of moving this cut motion as the discussion could not reach the number. Despairing of ventilating the grievances by a cut motion, I tabled the following Resolution on the 26th of February 1933:

"That this Assembly recommends to the Governor General in Council that immediate and adequate steps be taken by the Railway Board to redress the various grievances of the general travelling public, particularly of Assam, while travelling by the Assam Bengal Railway."

The Resolution appeared in the list and that certainly reached the Members of the Railway Board. And they surely realised that I tabled the Resolution to ventilate the grievances on the floor of the Assembly. So they cannot deny any knowledge of the Resolution, but, unfortunately,

[Kumar Gopika Romon Roy.]

on the non-official day, my Resolution was not reached, and hence I did not get a chance of moving it. Then I tabled the same Resolution for the Simla Session on the 6th of April, 1933. The Resolution appeared in the list, and, Sir, you very kindly called me a few minutes before the Assembly was going to be adjourned for the day. I could not finish my speech on the narration of the grievances in Simla. Sir, you very kindly allowed me to continue till the next non-official day in New Delhi. On the 30th of January last, I got the chance of moving the Resolution here, and here too I could not finish the narration of all the grievances, as time limit was over, and so I had to conclude in the half way. Perhaps the grievances I then narrated while moving my Resolution are still fresh in the minds of the Honourable Members of the House. I myself, with the inhabitants of Assam, are highly grateful to the Honourable Members of the House for giving my Resolution their kind and sympathetic support, but I have got something to say regarding the softness of reply which the Honourable the Member in charge of the Railways gave in reply to my speech. Sir, in the beginning he had also to confess:

"I must first express my satisfaction that the chance of the ballot has enabled my Honourable friend to move his motion. I have known that for many long months he has borne the burden of his many grievances, but, not until I heard his full exposition of them, did I realise what their extent really was."

However, I am thankful to him for acknowledging that I have been barking, since 1930, on the floors of the Legislatures of Shillong, Simla and New Delhi. The first point which the Honourable Member for Railways has dealt with in his speech is the "Raised Platforms". The Honourable Member has sympathised with me, but as usual that sympathy vanished, rather evaporated on the plea of "Scarcity of Money". (Laughter.) Perhaps the Honourable Members would do well to remember what I said in my speech regarding the Platforms. The exact words, Sir, were:

"The Agent told me that owing to the scarcity of funds the question of raised platforms could not be considered. I requested him to proceed with the works gradually, though not all at a time in one or two stations every year. He told me if I remember aright, his wordings, 'Blue Pencil' would go in Delhi and Simla from one end of the paper to another straight off if he proposed any expenditure on the raised platform question, while, Sir, for the convenience of the passengers to construct raised platforms in one or two stations may mean a nominal expenditure of Rs. 1,000 to Rs. 2,000 only."

But the Honourable Member in charge of the Railways has not said how much he has sanctioned for electric installation at the Badarpur Junction. The Honourable Member has cited instances of Paris, Lyons and Nord. He can quite draw a simile with the Shahara Desert even, while drawing the simile, perhaps the Honourable Member forgets that Assam is not Paris. (Hear, hear.) The rainy season in Assam exists for about eight months in the year and the average rain fall is more than 240" to 250", and in Assam lies Cherapunji which is famous for the greatest rain fall in the world. (Hear, hear.) Perhaps he forgets that in Assam women folks cover their body anyhow by a cotton *dhoti* of 9 to 10 cubits only and in Paris, Lyons and Nord, the ladies do ride on horse back. (Laughter and hear, hear.) If he would have taken all these facts into consideration, then he could have imagined the miserable plight of a passenger in a muddy uncovered platform and that also when there are incessant rains. The Honourable Member had not the heart to refuse "Electric installation in a station where

there is no train in the night" in these days of financial stringency. But he is at a loss to find a remedy for the convenience of the travelling public. This is how the Members in the Treasury Benches do respond to the necessities of the country. Sir, as regards silting of the Chorgola, the Honourable Member in charge of the Railways says:

"If my Honourable friend can place before me definite evidence to show that the silting up of these Valleys is definitely due to the bridges in question, we shall certainly look into the matter."

Sir, I have dealt with this exhaustively in my cut motion in the year 1931 and I have placed an album which the Honourable Member may find in the Library of the House. (Hear, hear.) As a result of that discussion, the question was raised during my interview with the Agent of the Assam-Bengal Railway at Chittagong, and I have quoted the reply of the Chief Engineer's letter in my speech of the 7th September, 1933, at Simla.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member must finish his speech in a minute. He will get another chance later on.

Kumar Gopika Romon Roy: The wording of the Chief Engineer's letter may be repeated here for refreshing the memory of the Honourable Member:

"Alleged silting of the Longai and Chorgola. Your letter No. E./337, dated 8th August, 1931. The bed of the Longai at the main line bridge has a greater average depth now than when the bridge was built. The Chorgola does show some silting which is due to natural causes and not to the bridge. The Chorgola is not a very active river and there have been complaints about its deterioration up the valley for many years. In the 1929 flood, there was no appreciable current, and practically still water under the bridge, the discharge passing by the Puamara Bridge to the Longai and a similar state of affairs existed in the 1916 flood. Under these conditions, some silting is to be expected."

And I hardly require to repeat the criticism which I made on the Chief Engineer's letter. Still the Honourable the Railway Member says:

"If my Honourable friend can place before me definite evidence to show that the silting up of these valleys is definitely due to bridges in question, we shall certainly look into the matter."

I have placed all the facts which the Honourable Members opposite may gather from the proceedings of the Assam Legislative Council and the proceedings of the Assembly, 1931-34, and I have narrated what the Chief Engineer said. Still the Honourable Member says that I am to place definite evidence before him. Sir, what more definite evidence I can place before the House or before the Honourable Member? Inundation by flood of the Chorgola Valley is not thought to be a serious cause for Government investigation, but it is my duty to put definite proofs, and if I am able to prove the facts, then he will only look into the matter, but he does not say that he will remove the grievances. This is what is called the official jugglery of words. Under the circumstances, with these few words, I support the motion.

Mr. E. Studd (Bengal: European): Sir, I had not intended to take any part in this debate, but the spectacle of the "starving" Member from Assam struggling to find raised platforms and his eloquence on that subject moved me to intervene, because I do know something about the Assam

[Mr. E. Studd.]

Bengal Railway. For a number of years past I have travelled there on various occasions. Many of my friends have also travelled there often and have told me stories about that railway. I admit that it has its defects, very few railways have not, but I have travelled on railways where the trains have been even slower and where, I think, there have been quite as many grievances as my Honourable friend has produced. I think perhaps that in these days one has to be thankful for small mercies, and it may cheer him up a little if I tell him a story of the Assam Bengal Railway some years ago. A cousin of mine had been doing a fairly extensive tour round tea estates and one morning he was landed at a station on the hill section of that railway not very long after it had been opened. He was in a district where motor cars in those days were unknown, there being no roads over which they could travel. Having waited at the station for some time, which consisted of one small grass hut and no platform, either raised or otherwise, he thought he would find out how the train was running. So he went up to the one and only official who was station-master, ticket-collector and everything else. He said: "Babu, is the train running up to time today?" The reply that he got was rather startling. "Oh, Sir," he said, "yesterday's train not in yet, Sir." (Laughter.) He had to walk 14 miles along the sleepers before he could get any food, shelter or anything else. I hope my Honourable friend will take comfort from that, and realise that perhaps the Railway Board is not quite as useless as he makes it out to be.

There is only one other point on which I should like to touch, and that is the remarks made by the first speaker on the subject of the Hardinge Bridge. I do not know whether he has ever crossed that bridge by train. I should rather imagine from his remarks that he has not. But I do think that his remarks are entirely unjustified. To my mind, that bridge ought to be looked upon as one of the outstanding contributions of recent years to the amenities of the travelling public. I have no doubt that a number of my friends from Bengal will remember the old days when you went in a train to the edge of the river; you got out at some awkward hour of the night or morning and got into a steamer, and, after having a couple of hours delay, you were ferried across the river and then got out again and got into another train and continued your journey. It was bad enough going north, but it was worse going south, when you usually had to turn out about 4 o'clock in the morning. Now you can get into the train and go comfortably on the broad gauge the whole way from Calcutta right up to Siliguri at the foot of the hills. I think that the bridge is not only a great contribution to the amenities of the travelling public, but it is an engineering feat of which India may well be proud, for it is certainly one of the big bridges of the world. To belittle the efforts, the knowledge and the skill of the engineers who built that bridge in the way that the Honourable Member Sirdar Harbans Singh Brar did, is, I think, to do them great injustice. The fact that further money has to be spent on protection works and not on the bridge itself seems to me to be no reflection whatever on the original builders. Unlike my friend, Mr. B. Das, I cannot claim to be an engineer or even to have any engineering experience, but to the ordinary layman travelling across that bridge it seemed that it was almost unnecessary to put such elaborate and lengthy protection works on either side of that bridge to protect it against the river. Experience, however, has proved that it was just the other way. But I do rebut the suggestion, which I consider

most unjust, that there was any fault on the part of the engineers in the building of that bridge and that this extra expenditure, which has got to be incurred now, can in any way be attributed to them. I most strongly oppose the motion.

Mr. Uppl Sahab Bahadur (West Coast and Nilgiris: Muhammadan): Sir, I rise to support the motion. At the same time, I wish to place before the Assembly our grievances regarding the South Indian Railway which escaped even the lashes of my Honourable friend and Deputy Leader, Diwan Bahadur Ramaswami Mudaliar. When he spoke about the Madras and Southern Mahratta Railway, I thought he would also say something about the inconvenience felt by the passengers on the South Indian Railway. Sir, you know that in the upper classes they have introduced a certain kind of pump. When we come from Madras to Delhi, we find it difficult to pump out water from those pumps. When I travelled from Simla, there was a family travelling in the same compartment as myself. The male member of the family was an old man. He wanted to use the bath room. So he went into the bath room, and, after some time, he came out of it, and was standing. We did not know each other. He was also from Malabar and was standing rather perplexed. I asked what was the matter with him. He said: "There is no water, and I want water." I went to help him, and what I found was that the pump was out of order. So he had to remain without water till we reached Podanur and then I complained to the Station Master about it, who sent a mechanic or an engineer to repair it. Last time, when I was coming to Delhi, I was joined by some other friends at Calicut and we also had some of your friends including Mr. Venkataram Iyengar of Coimbatore in the same compartment. We were taking our meals, and I wanted water to wash my hands. But the pump was not working again. I complained to a railway servant at Shoranur. I saw some people going in, who, after some time went out. I asked them whether the pump was set right, and they said that it would not be available till we reached the next station. The next station was Ottapalan where the train stops only for a short time. Then I called the guard who said that we would get water at Olavakote. I told him I had taken my meals and I had to wash my hands. Then, after a distance of 30 miles, the train reached Olavakote, and he said "this is no watering station and then we had to run from Olavakote to Podanur, another 30 miles. Then a mechanic came and repaired the tap. But after the train moved, when I went inside the bath room for water, I saw that there was no water, because the tap was left open by the mechanic and so all the water had run out. I understand that you, Sir, had once complained about this pump. I submit that there is no necessity to introduce such a system in the upper class carriages in the S.I.R., especially in the broad gauge, where there is not any scarcity of water. At least my district contains plenty of water and there are also big irrigation works constructed by the Madras Government along the line. What is the necessity for such a pump in the higher classes while in the third class compartment there is the ordinary tap.

The other point about which I should like to draw the attention of the House is that the beds in the second class compartments are very bad. The material with which the beds are stuffed come out and there are a lot of bugs in the compartment. The S.I.R. Administration do not care to keep the carriages clean. During the rainy season most of the third class and even the second class compartments that run in Malabar are

[Mr. Uppi Saheb Bahadur.]

leaky. The S.I.R. do not seem to care for the convenience of the passengers, but they are careful to bury the capital under the earth. The S.I.R. Administration have remodelled a station like Erode which looks a very desolate place. There is no use of spending lakhs of rupees in underground passages, etc., at such a station, simply because it is a junction from Trichy to Malabar. When we ask for necessities, the railway says that it has no money. For the last 20 years we have been demanding an overbridge on the Calicut level crossing. The train passes through the most crowded part of the city and the gates are closed very often for 15 minutes when the trains pass through the gates and shunting takes place. My Honourable friend, Mr. Thampan, was also crying for some modification of the level crossing at Olavakote, but the S.I.R. had no money; on the other hand, they would remodel any station by digging lot of capital, that will not pay, into the earth. So, I support this motion.

Mr. Muhammad Yamin Khan: Sir, my justification in rising to take part in this discussion is simply because I had promised to my Honourable friend, Kumar Gopika Romon Roy, that I would speak on this motion. As far as his grievances are concerned, we have got full sympathy, and I should like that the Honourable the Commerce Member should take note of all the grievances which he has mentioned in the half of his speech. I presume that he would have made a longer speech but for the fact that he had no time. If the Honourable the Commerce Member will go through the typed pages which Kumar Gopika Romon Roy had in his possession, I think he will be quite satisfied.

As far as the motion is concerned, I must congratulate my Honourable friend, Mr. Maswood Ahmad, for making a very sensible speech today and in fact that was the most sensible speech that I ever heard him make in this House. His speech was really to the point, and I support the contention that it is not right and proper that a Member of the Standing Finance Committee, when he sits up in the Finance Committee and allows all the expenditure that he does in that Committee, and then that he should come to this House and say that the grant in respect of the Railway Board should be reduced to one rupee. He wants to refuse what he had already sanctioned in the Finance Committee. If the idea of my Honourable friend had been that he wanted to raise a particular issue and if he wanted to discuss a matter of policy, then his motion ought to have been that the grant should be reduced by one rupee and not that the grant should be reduced to one rupee.

Mr. M. Maswood Ahmad: Then he would not have got priority for his motion.

Mr. Muhammad Yamin Khan: If the idea is to get priority, then I can only say that it is not treating the House properly. The House would consider itself to have been treated properly if the Honourable Member had come before the House in an open manner and placed his grievances before the House. No Honourable Member should come to this House in a round-about manner just to get a priority and put his grievances, because it would be very difficult for the House to come to any conclusion. That is why I congratulate my Honourable friend, Mr. Maswood Ahmad, for giving a lead to this House and making that very sensible speech.

My Honourable friend, Sirdar Harbans Singh Brar, has urged some of his grievances which I think have got no connection with the Railway Board. He has got some grievance against a particular line of railway, but that grievance would come under a different category. If my Honourable friend wanted to raise this issue, he ought to have done so by a rupee cut. But to say that the Railway Board should not exist and that the Railway Board should be abolished, because some trains are not running at the proper time and that there are some grievances in the timetable and in the schedule of trains, I should say that these have got nothing to do with the Railway Board. I think it is a mere waste of time of the House if we bring forward motions of this kind before the House, and I also say that it is not properly treating the House if we spend any more time in discussing this motion. With these words, I oppose the motion.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural):

3 P.M. I was almost being converted by my Honourable friend, Mr. Maswood Ahmad, about the unreasonableness of this motion, but when I heard the eloquent speech of my Honourable friend from Assam, I was convinced that I had no other alternative but to support it. His grievances may be with respect to a particular railway about the raising of platforms and the removal of a platform from a particular place where there is danger of life to human beings from, as he has been pleased to say in one of his speeches, the King of the Forests. All these things are not to be trifled with, and if my Honourable friend, after strenuous efforts of half a dozen years, both here and at Simla and also in the heights of Shillong, has not been able to get his grievances redressed, then certainly it is our bounden duty, as his colleagues, to support him. But I must say that the poor Railway Board should not have been reduced to three pies only.

Kumar Gopika Romon Roy: It is rupee one now.

Mr. Amar Nath Dutt: Even then, if we look at the number of officers in the Railway Board, I think Re. 1 will not be sufficient to keep up these officers, and they must at least have a morsel of food and a loin cloth to wear for the whole year.

The Honourable Sir Joseph Bhore: Sir, may I explain to my Honourable friend that the officers are quite safe, because their salaries are non-voted? It is only the clerks who will be affected.

Mr. Amar Nath Dutt: I am greatly relieved to hear that the officers are quite safe. Then, it is Mr. Joshi's clients who can do very well with a loin cloth and a morsel of rice. I really do not see how these specific grievances can come under this head. But as I find several Members rising up and narrating their own grievances with regard to particular railways as was done by my friend, Mr. Uppi Saheb, I think I may also be permitted to bring before this House the grievances of a particular railway in which the Government also are interested,—I mean the Bankura Damodar River Railway. It runs through a tract of country which was mentioned by Megasthenes as being the earliest and highly civilised in the whole of Northern India, a tract which was known by the name of Gangarides. The line has been constructed up to a village which is of no importance commercially or otherwise and it has been left there. After that, there is marshy land for miles and miles, and then comes that great

[Mr. Amar Nath Dutt.]

river Damodar, and you have to go about 10 or 12 miles over these marshy lands. Then, if you cross the river Damodar, you can, after a few miles, get either the station of Tarakeswar or Champadanga or Burdwan. If this line had been taken up to Burdwan and connected with the sub-divisional town of Arambagh, there would have been some justification for it, and there would have been more traffic than we are having. Remember, Sir, that Government gave a guarantee of four per cent. to this railway.

Mr. P. R. Rau (Financial Commissioner, Railways): $3\frac{1}{2}$ per cent.

Mr. Amar Nath Dutt: I stand corrected. But it does not yield a dividend of even two per cent. and Government have to bear the loss all along. This matter has been brought to the notice of the Railway Board, and I hope some steps will be taken in the near future so that the Central Revenues may not suffer in the way it has been suffering. In this connection, one other thing occurs to me. I find in a book, which was with Sir Darcy Lindsay, mention of a particular road from Burdwan to Jelianabad, i.e., Arambagh, and it crosses the Bankura Damodar River Railway at a particular station called Sehara. Sir, you will find bullock carts and motors passing on the road near this line and the management of this Bankura Damodar River Railway is so bad that people never take to it. They send their goods in bullock carts or motor lorries and avoid this line. Then the treatment of the railway employees to the passengers has been such that in most villages they are inclined to boycott this line altogether. If my Honourable friend, the Member in charge, will call for the papers, he will find many criminal cases have cropped up between the employees of the railway and the travelling public. Even in big railways like the East Indian and other railways, you hardly hear of assaults and criminal cases between the railway employees and the travelling public. But, in this small line of 60 miles, several cases have occurred in the last few years between the employees and the public. This line is wholly mismanaged, and, therefore, Government have to suffer a loss to make up the dividend of $3\frac{1}{2}$ per cent. But why should the Central Revenues suffer in this way? If they take statistics, they will find that, if this line is connected either with Burdwan or Tarakeswar or Arambagh, it may be made paying, because these are trade centres, and Courts of justice are located where people have to frequent; but no one will care to go to the village of Raynagar from Bankura except a few who may have relatives living on that line. They can tap such places of pilgrimage as the birthplace of Ramkrishna Paramahansa and the birthplace of Kavikankan, the greatest poet of Bengal. Then, again, there is the birthplace of Raja Ram Mohan Roy, the founder of the Brahmo Samaj and a place of pilgrimage for Brahmos. These places can be tapped if they extend the line to Arambagh. As I said, this line, which has been stopped at a certain place, does not serve the purpose for which there might have been some justification in those days when it was constructed. This tract of country being the oldest civilised one in Northern India and the birthplace of so many famous men, both in the 18th and in the 19th century, it is the bounden duty of the Government to extend it. Then, again, there is in this tract the goddess Kali of Tirol which cures insanity. (Laughter.) (Some Honourable Members: "Send the Railway Board there.") It may be necessary to send many people there, the Railway Board as well as Honourable Members from some Provinces who marry very late. (Laughter.) So my submission is that the management of this particular railway line should be inquired into, so that in future

criminal cases may not crop up between the travelling public and the employees of the railway. It is also a line which, by an extension of 20 miles, may be made paying so that the Central Revenues may not suffer.

One more thing. I was thinking the other day when I had occasion to go to the Railway Station at Delhi and I was told that all racial discrimination had been abolished: but, in the matter of latrines, I found in one place it was put up "Europeans" and in another place "Indians". This discrimination ought not to exist. I am an Indian and I was dressed as an Indian, and, of course, my self-respect did not allow me to enter the place: I think even my gallant friend, Colonel Gidney, would not have entered that place, and he would have had to use the Indian latrine in the same way as ordinary *dhoti*-wearing Indians like Mr. Mitra and Mr. Lahiri Chaudhury do. I beg to submit that all these distinctions should be done away with. These are grievances no doubt, but that does not entitle us to say that the Railway Board should be abolished; and considering that the salaries of the higher officers are safe, whom are you going to abolish? It is only my friend, Mr. Joshi's clients. With these words, I do not know whether I should support or oppose the motion.

Some Honourable Members: The question may now be put.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the question be now put."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the demand under the head 'Railway Board' be reduced to one rupee."

The motion was negatived.

Muslim Representation in Railway Services.

Mr. M. Maswood Ahmad: Sir, I move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100."—(Muslim Representation in Railway Services.)

In moving this cut it is my intention to repeat the old story which has thrice been told on the floor of the House in the life of this Assembly. This is, therefore, the fourth time that I am repeating it. Certain friends may say what is the use of telling the same story again and again; but there is a verse in Persian—I am sorry my Honourable friend, Sir James Crerar, is not here, otherwise he would have appreciated it:

"Taza khahi dashtan gar daghhai sina ra,

Gahe gahe baz khan in qissae parina ra.

—which means "If you want that the impression on your heart should not fade, go on reading again and again the story occasionally"

Mr. Muhammad Yamin Khan: "Of my love".

Mr. M. Maswood Ahmad: Certainly my Honourable friend, Mr. Yamin Khan, loves the Treasury Benches: there is no doubt in it. (Laughter.)

Sir, I think that just as the British policy about India is unchanged, whether it is a Conservative Government, or a Labour Government, or a Liberal Government, in the same way I find that the policy of the Indian Government in connection with Muslim representation in the Railway

[Mr. M. Maswood Ahmad.]

services at least is the same, whether a European Member is in charge of the Department or an Indian Member is in charge. The other two reasons for telling this story are that we want to inform the Government that we know where we stand, that we are aware of what is our percentage, and that we understand their policy very well. Secondly, these stories are told to inform the Muslim community inside the House and outside as to what their position is and what is the meaning of those promises which have been given by so many Honourable Members on the floor of this House. If you will see the Administration Report, you will find that the percentage of Muslim representation has been decreasing year by year, and I do not know what kind of dictionary is kept in the Railway Board in which the meaning of the word "increase" is found to be as follows:

In 1930, the Europeans *cum* Anglo-Indians were 19,628 or 2.40 per cent; the Hindus were 5,79,040 or 70.8 per cent; others were 36,716 or 4.49 per cent; while the Muslims were 1,82,349 or 22.31 per cent. of a total of 8,17,733.

In 1931, the Europeans *cum* Anglo-Indians went up by .01, that is to 2.41 per cent, numbering 19,040, our Hindu friends became 70.86 per cent; others became 4.6 per cent; while Muslims came down to 22.13 per cent numbering 1,72,975 of a total of 7,81,859.

This is the meaning of "increase" in the dictionary of the Railway Board and this is the dictionary which Mr. K. M. Hassan consults for the meaning of these words:

In 1932, again, the Europeans *cum* Anglo-Indians went up to 2.47 per cent, numbering 18,102; our Hindu friends became 71.19 per cent; others became 4.84 per cent, while Muslims came down to 21.56 per cent, numbering 1,55,876 of a total of 7,31,979.

Another increase is (decrease) in the third year.

Now, I come to 1933, the fourth year. What happened?

In 1933, Europeans and Anglo-Indians again went up to 2.58 per cent; Hindus were 70.97 per cent; others became 5.06 per cent, while the Muslims again declined to 21.52 per cent, numbering 1,35,969 out of 7,10,271.

So, in these four years, year by year the percentage of the Muslim community has been decreasing in spite of so many promises by my Honourable friend, Sir George Rainy, who is not here, and my Honourable friend, Sir Joseph Bhoré. These figures have been published in the first paragraph of the chapter about staff; that is, of the services taken as a whole: in this menial and subordinate grade services men have all been included.

I now come to the question of the Honourable Member in charge himself. Regarding this I can say that in the history of the railways I do not remember to have seen any Muslim having ever been in charge of the Railway Department. This post has always been occupied by our non-Muslim friends. I will suggest in this connection that the portfolios should be so distributed

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): How have held this portfolio?

Mr. M. Maswood Ahmad: I hope the reply to that question will be given by my Honourable friend, Mr. Colvin, when he replies to my question: I hope he will keep this question also in his mind. In my opinion, the portfolios should be so divided that all the communities should get a chance some time for working as a Member in each Department: a particular portfolio should not be reserved for a particular community for ever.

An Honourable Member: Which portfolio has been reserved for what community?

Mr. M. Maswood Ahmad: I think it should be given by rotation, one Hindu, one Muslim, one Christian, and so on. I suggest definitely that the Members in charge of Departments should be of different communities on different occasions. This is my suggestion to the Government. Now, Sir, I come to the Members of the Railway Board.

Mr. Gaya Prasad Singh: Will my Honourable friend say what particular portfolio has been reserved for a member of any particular community?

Mr. M. Maswood Ahmad: I did not say that any particular portfolio had been reserved for a member of any particular community. I said that Mussalmans have not got the portfolio of the Railway Department. Not a single Mussalman has been made in charge of any Department

Mr. Amar Nath Dutt: Neither a Hindu.

Mr. M. Maswood Ahmad: Sir, I was mentioning that not a single Mussalman had ever been appointed as a Member of the Railway Board.

Now, I come to the Railway Board. From the list you will find, Sir, that both Europeans and Hindus are represented there, while not a single Mussalman is found in the list of the Members of the Railway Board. In this connection I should like to point out that, now that the Statutory Railway Board is going to be created in the near future, Honourable Members representing different communities have very wisely suggested that there should be at least two Muslim Members on that Statutory Board, and I am glad that my Hindu friends have, for the first time, shown to the public that it is not the Hindu community which stands in the way of Muslims, but it is the Europeans, and it is the Government, which stand in the way of Muslims. And, Sir, you will be surprised that the Whitehall authorities have very vehemently opposed the idea of having even two Muslim Members on the Statutory Railway Board. The Government of India as well have vehemently opposed the recommendation.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President, (Mr. Abdul Matin Chaudhury).]

Sir, on behalf of my community I wish to bring to the notice of the Government the fact that the entire Muslim community insist that two seats should be reserved by Statute for Mussalmans as has been recommended by the Committee.

Now, Sir, I turn to the Directorate. I find there are about five Directors in the Railway Board, and none of them is a Mussalman. All the five Directors are non-Muslims. The Secretary in the Railway Board is a non-Muslim, and the Assistant Secretary is also a non-Muslim. Petty

[Mr. M. Maswood Ahmad.]

jobs like those of *chaprassis* and *bhisties* are given to Mussalmans in the Railway Board, and only four petty officers are found in the list of officers in the Railway Board. In this connection at least, the Railway Board has become Mussalman. As a Mussalman cannot have more than four wives, the Railway Board do not think it proper to have more than four members on their staff. My Honourable friends, Mr. Rau and Mr. Colvin, do not want to have more than four officers on their staff in the Railway Board.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): They should have eight.

Mr. M. Maswood Ahmad: Then coming to staff, the House will be surprised to hear that there are about 106 clerks in the Railway Board. Not one of the Superintendents out of six is a Mussalman. There are only three Assistants out of 27, six second grade clerks out of 45, and about eleven third grade clerks and two out of 15 stenographers in the Railway Board. This is the condition of the Railway Board. The whole system in the Railway Board is very defective. The Secretary or the head of the Branch calls by name certain persons to be taken in their branches. The result is that certain clerks who were junior most, men who had worked for only two months in the office have been promoted from third division to the second division, and many senior most clerks in the third division have not got their chances

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Where is Mr. Hassan then?

Mr. M. Maswood Ahmad: Have they given any power to him? The reply is, none. Then, as I have said, whether the Government is Conservative or Liberal, the result is the same for India, and the same is the case with regard to Muslim representation in the railway services—it may be Mr. Hassan or anybody else, we have to judge by the result. The result shows that our percentage has decreased, and in certain departments it is perfectly hopeless as I have been showing.

Now, Sir, I come to the gazetted ranks. Up till now, not a single Mussalman has been appointed as Agent of any railway. Europeans and my Hindu friends have got their share, but there has not been a single Mussalman who has been appointed as Agent of any of the railways in India

An Honourable Member: Who is the Indian Agent?

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Order, Order.

Another Honourable Member: Will the Honourable Member say who is the Hindu Agent?

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member must be allowed to proceed with his speech without interruptions. Other Honourable Members will have their opportunity to reply.

Mr. M. Maswood Ahmad: Mr. Singh is the Hindu Agent on the E. B. Railway. Sir, in spite of numerous promises, not a single Mussalman has been promoted to the post of Deputy Agent, and, in this connection, my friend, Mr. Mitra, has also said that something is loose somewhere. (Laughter.) This is the word used by my friend, and the Honourable Member in charge of the railway staff could not explain certain supersessions that had taken place last year. Here is his speech. I can read it if necessary—but I shall not waste the time of the House

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has got only three minutes more.

Mr. M. Maswood Ahmad: I believe, Sir, that 20 minutes will be allowed.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Twenty minutes have already passed.

Mr. M. Maswood Ahmad: Then I would request you to kindly give me another five minutes as was given to my friend, Raja Bahadur Krishnama-chariar.

I shall now take only two points regarding qualifications and supersessions. There are so many cases of supersessions that different communities have superseded my community, and that is very well known. With regard to qualifications, it will be said that qualified Mussalmans are not available, but here is a list and here is a letter from the Controller of Railway Accounts, and from this list the House will find that in the Accounts Branch there are 1,938 non-matric Hindus. You will be surprised to know, Sir, that even non-matric Muslims were not available and only 189 were taken. I am ready to give the same number of Muslim graduates if Government are ready to replace the non-matric Hindu clerks, and yet it is said that qualified Mussalmans are not available. When the question of appointing a Muslim comes in, all sorts of difficulties are raised, but when the question of appointing a non-Muslim comes in, the question of qualifications goes into the waste paper basket. Now, I may point out that when vacancies occur, they are never advertised,—posts are rather created for men and not that men are searched for posts. This is my definite charge against the different departments in the Railway Board, and, in proof of that, I shall quote a letter which I have received from the Railway Clearing Accounts Office. This is what it says:

"There have been no vacancies which could have been advertised before being filled up."

This is the exact wording of the letter I have got. This letter further says this:

"Adequate arrangements exist in my office for the receipt and disposal of applications for appointment. Under these arrangements, every application comes under my personal scrutiny."

Now, this is an absurdity. You don't advertise the posts, and you fill in all the vacancies yourself, because in this letter it is stated that there have been no vacancies which could have been advertised before being filled up. This is a great absurdity

Mr. P. R. Rau (Financial Commissioner, Railways): May I know from what document my Honourable friend is reading?

Mr. M. Maswood Ahmad: I am quoting from a letter which I have received from the Railway Clearing Accounts Office, No. E.-50/543, dated the 21st—22nd February, 1934, and if my Honourable friend desires it, I am prepared to place it on the table of the House. (The letter was laid on the table of the House.) I very much desire that this letter should be published* in the proceedings with my speech to show how jobs are created for relatives and friends of officers.

*The contents having been quoted by the Honourable Member in *extenso* the letter has not been reproduced.

[Mr. M. Maswood Ahmad.]

With regard to efficiency, I shall only quote one instance and finish my speech, because my time is very limited now. There is no machinery at all to show whether a man is efficient or not. If I say that my friend, Mr. Rau, or Mr. Colvin, is inefficient, who is going to challenge me? It is my whim. (Laughter.) It is the same case with regard to other officers. It is very easy for any Member to say that a particular man is efficient or that he is inefficient. I shall quote another case. Messrs. Kishorilal and Daulatram Narula were most efficient sub-heads in the time of Messrs. L. S. Deene and Sundaram, but, in the time of Mr. K. R. S. Rau, these people have been declared inefficient and reverted as clerks. This is an instance of efficiency. This is your efficiency. One Officer comes and says that a clerk is efficient; another Officer comes the next day and says he is not efficient. Again, seniority lists are always changed. Questions after questions have been asked in this House on that

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member must now conclude his speech.

Mr. M. Maswood Ahmad: I will not take more than two minutes. This is the seniority list for the 3rd May, and this is the seniority list for the 4th May, and you will find that a man who was 4th on the 3rd May becomes 17th on the list of the 4th May, and the man who was 22nd was promoted to be the 1st. In order to save time, I lay these seniority lists on the table of the House*. I do not want to read the names therein. I want them to go into this debate in order to show how these things are done. With these words, I move my motion.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Cut motion moved:

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

Khan Sahib Shaikh Fazal Haq Piracha (North West Punjab: Muhammadan): Sir, I thank you for giving me the opportunity of giving vent to my own feelings and the feelings of those whom I represent, on this very vital question of Muslim representation in railway services, which has been a long standing grievance of the Muslim community and has always been the subject of discussion in this House. Sir, the paucity of Muslims in railway services has become almost a chronic disease. The constant demand of the Mussalmans inside and outside the Legislature, the sympathetic replies of Railway Officers and the assurances of the Government have not yet been materialised. The time honoured percentage of Muslims in railway services is not improved. According to the statements given on pages 57 and 58 of the Railway Board's Report for 1932-33, published a few days ago, there are at present on Indian railways only four per cent Muslim gazetted officers, and less than 4½ per cent Muslim upper subordinates.

In paragraph 79, at page 59 of this Report, a statement is made to the effect that during the year 1932-33 the difficult problem of representation of minority communities in railway services continued to receive attention of the Government. I will ask my Honourable friend, the Railway Member, to let me know whether this remark is serious or

*Vide Appendix "A" printed at the end of the day's debates.

otherwise. Every year we draw the attention of the Railway Board to the need of increasing the percentage of Mussalmans in services, but the results are in the inverse proportion of our efforts. On the occasion of the Budget debates, the Honourable the Railway Member and the Honourable the Financial Commissioner for Railways give assurances that they would pay special attention to the claims of the Muslims, but, inspite of such assurances, the position does not improve.

I will start with the assumption, Sir, that Muslims are included among the minorities, and if the Railway Board make a statement that they have been giving their attention to the welfare of minorities, it should mean that Muslims have been getting some share of this attention. Let us now examine the statement of staff, given on page 51 of the Railway Board's Report for 1932-33, to find out the result of this continued attention to Muslims during the year.

Before examining the figures for 1932-33, I will trouble the House with some statistics given on page 44 of the Railway Board's Report for 1931-32. There was some retrenchment in that year and a large number of staff was turned out. The number of Muslim employees was reduced by 15,000 during the year 1931-32. It was not unreasonable to expect that, in view of the paucity of Muslims in railway services, the retrenchment would be taken as an opportunity to increase their proportion. The Railway Department ignored their pledges. They ignored the promise given by His Excellency the Viceroy to the Delhi Muslim Association that the proportion of Muslims would not be reduced. The Railway Department turned out 15,000 Muslims, while, according to the pre-retrenchment proportion, not more than 11,000 Muslims should have been discharged. We brought this glaring injustice to the notice of the authorities. We shouted from house tops, that far from saving the Muslims from the axe, 4,000 extra Muslims had been sent away. We brought this fact to the notice of His Excellency in a memorandum submitted to him. We lost no opportunity of reminding the authorities that they owed it to the Muslim community to restore their jobs to these unfortunate 4,000. I have been shocked, Sir, to find from the Report for 1932-33 that 5,000 more Muslims have been reduced in this year. This reduction is again more than the proportion of Muslims. Thus the year 1931-32 witnessed a reduction in the proportion of Muslims. In 1932-33, the same thing has been repeated and the ratio of Muslims has again been further reduced.

Sir, the Government do what they want. Sikhs and Indian Christians each form only about one per cent of the population of this country. They are already overrepresented in the railway services. The proportion of Sikhs is slightly more than their population ratio and the proportion of Indian Christians in railway services is double their population ratio in the country. Yet, during the year 1932-33, the number of Sikhs was not reduced to the same extent as Muslims. There has been a reduction of only 176 Sikhs out of 8,767, which is two per cent. On the other hand, more than 5,000 Muslims have been reduced out of 1,57,876, which is 3.16 per cent. Indian Christians who hold twice as many jobs as they are entitled to on the population ratio have been increased by 8.16 per cent. Their number on the 1st April, 1932, was 14,398. On the 31st March, 1933, they numbered 15,574. This leaves no doubt in one's mind that the policy which the Government are following is this. They will increase the numbers of Sikhs and Indian Christians and other microscopic minorities, including Muslims, and, by clubbing together the statistics of all minorities, they

[Khan Sahib Shaikh Fazal Haq Piracha.]

will say that everything possible is being done for the minorities in railway services.

Turning to page 58 of the Report, Sir, I find that during the year 1932-33 the percentage of Muslim senior subordinates on State-managed railways has increased from 5.38 per cent to 5.39. This was an increase of .01 per cent in one year. Sir, at this rate, there will be an increase of one per cent in one century, and if we want an increase of 25 per cent to make up a 30 per cent proportion for Muslims, we shall have to wait for 2,500 years.

We hope that the Government would take suitable action so that the proportion of the Muslims may be increased from 5.39 to at least 25 per cent within the living memories. I am surprised that a certain section of our own countrymen stand against the Muslim demand under the false excuse of efficiency and these very men in the second breath demand the Indianisation of services. May I ask, on what principle the Indianisation of services is urged? Is it the principle of efficiency or patriotism? There is only one reply, that it is the principle of patriotism, and I entirely share in their demand. Unless we have more seats for Indians, we cannot have more seats for Muslims. But I beg to differ from these men who, after securing more seats for Indians with our help, try to usurp all of them for themselves, simply because the keys of all these doors for entering into railway services happen to be in their hands.

I appeal to the Government and to the sister community that some suitable convention should be made for the services, and an equitable share should be given to the Mussalmans. No Mussalman has ever advocated that the efficiency of the services should be lowered. On the other hand, the conditions for entrance may be made as high as the nature of the work may demand, but once the standard is fixed, the Mussalmans should not be debarred simply on the ground that a particular Muslim candidate solves one question less in Arithmetic or one question less in the geography of South Africa. No one can say that competent Mussalmans are not available, and I strongly maintain that the Mussalmans can run the entire Railway Administration and fill up all the posts of responsibility, and can do the work as efficiently as any body else can do.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Sir, I rise to oppose this motion. My first reason is one which I have very often repeated in this House and I will repeat it once again. It is that communalism is a sort of poison that works in the body politic of the nation.

An Honourable Member: Do you believe it?

Bhai Parma Nand: I do. My friends would suggest that I am a communalist. If to oppose communalism tooth and nail is to be a communalist, then, I confess, I am. It was only yesterday that Colonel Gidney remarked that communalism is the negation of nationalism, but he did not give us any reason why communalism should be continued. It was by chance that my Honourable friend, Mr. Joshi, quoted from the recommendations of the Royal Commission on Labour where it was said that there should be no racial discrimination in the services. He also read out a foot note on that very recommendation. That foot note was by the Government of India which said that they did not want racial discrimination, but, at the same time, to redress communal inequalities they wanted

communalism in the services. As Mr. Joshi referred to this point, our Honourable friend, Sir Cowasji Jehangir, got up to oppose the vice of communalism. He was condemning reservation in services and I along with others was glad to hear such remarks from such an Honourable Member. But I do not know what happened. In a moment something crossed his mind and he suddenly changed and said that as the Muhammadans were a large community in India, therefore they could demand reservation in services. They have a right to do it. Again, Sir, there is our otherwise most respected leader of the Independent Party, Sir Abdur Rahim, whose chief complaint with regard to the White Paper was this. He was all praise for it, but his complaint was that it had not fixed the due share of the Muslim community in the services. I do not blame him at all. The Mussalmans as a community can think what is best for them. They can decide as to their line of policy in this matter. If they want reservation, they should have it. I do not object to it. I do not blame them, but my point is simply this. When we condemn communalism, we should understand, as a fact who is really responsible for this. Speaking on behalf of Hindus, I say we do not want communalism. We want fair field and no favour. If Muslim friends want to gain their due share, they should ask for fair and free competition. They can complain, as Maulana Maswood Ahmad has complained, about any irregularities such as that there are no examinations and that the promotions are given by irregular means. Of course these complaints are perfectly justified and I would be the first man to condemn such irregularities. My point is that if the Muhammadan leaders want that their community should be raised, they should try to have better qualifications. It is a wrong policy to always depend upon outside support. Reservations are mere crutches; they would never learn to walk if they always depend upon these crutches supplied to them by others.

An Honourable Member: Why not fix university qualifications?

Bhai Parma Nand: You may have university qualifications from the highest to the lowest service. You can have open competition. You can appoint any body of impartial judges to allow you fair field, and, whoever comes up to the requisite standard, may be selected. If there is such a competition, we should have no objection to it.

Leaving this point aside, I would take up the other question to which my Honourable friend, Mr. Ranga Iyer, referred. When he was talking about Muslim representation on the Statutory Railway Board, some Honourable Member objected that that was communal. Mr. Ranga Iyer at once replied that the best way to end communalism was by agreement. I quite agree with the spirit of it, but I want to modify the sentence a little bit. I would say, the *only* way to end communal disputes is by agreement. I want that this agreement should not depend upon the arbitrary whim of any one individual or of any committee however highly placed, he or it may be. This agreement should be based on certain principle. Let there be some reasonable grounds for that proportion. Let a uniform rule be fixed by our Muslim leaders. Then I would agree to that principle. The one principle that has been so often stressed and talked about is the proportion of population, that is, the ratio of population theory. If I am not mistaken, I have to give credit for the discovery of this theory to the great Muslim leader of the Punjab, Sir Fazl-i-Hussain; and this theory coming from a great Muslim leader and having been

[Bhai Parma Nand.]

accepted by all the Muslims, I should have no objection to accepting it as the basis of mutual agreement between the two communities. Taking that view, Sir, I now come to the other point and that is about the cry of inadequate Muslim representation in railway services. My friend, Maulana Maswood Ahmad, says that their clamour has not brought out any result. I want to tell him that it was as a result of that clamour or agitation, which they carried on persistently in this House, that the Government appointed a Muslim officer on a pay of Rs. 1,700, simply to inquire into this grievance of theirs. We discussed Mr. Hassan's Report. I want to point out this as a fact that, taking Mr. Hassan's report and all his figures to be correct, and by excluding the other minorities, such as Christians, Anglo-Indians or Europeans, what is left behind I am prepared to accept, in respect of the remaining services, the population basis for distribution between the Hindus and the Muhammadans. If the Muslims accept this as the basis of an agreement, we shall not have any dispute on that point again. In that case, if they want to have more services, let them try to get them from their sister communities with whom they have entered into a minority pact in London. (Hear, hear.)

My friend, Mr. Maswood Ahmad, admitted that the Hindus were 79 per cent and the Mussalmans were 21 per cent. Now, taking the average of all the subordinates and the higher services in the railways, the Hindus are 69 per cent and the Mussalmans 21 per cent. That clearly means that the Muhammadans are more than one-fourth as compared with the Hindus. Therefore, they cannot complain that the Hindus have got a larger share in the railway services.

Mr. M. Maswood Ahmad: But there are menials and others, and all the big jobs have got into the pockets of my Honourable friend, Bhai Parma Nand.

Bhai Parma Nand: Take the Hassan Report. Take the head "Sub-ordinate Services" after excluding services given to other minorities; if you have got less than 25 per cent, I would allow at once that these extra persons should be removed and the posts be given to you. I am sure, you have got one-fourth already.

Mr. M. Maswood Ahmad: Thank you very much.

Bhai Parma Nand: But the very fact that goes against you is that the root of your agitation is not that you want your due share on a population basis; you want much more and that is the thing that makes you always complain and ask for more.

Mr. M. Maswood Ahmad: No, no. We shall be satisfied on the population basis, if we got in all grades in all Departments.

Bhai Parma Nand: Well, Mr. Hassan's report says that the Muslims should get 35 per cent of the total services. Now, I do not understand how you can claim 35 per cent of the total. Not only this, but he recommends that all the Railway Agents should be given immediate instructions, for instance, in the Punjab, the Muslims should be given 50 per cent, on the E.I.R. 35 per cent, and so on. The recommendation was that the Agents should be instructed to make up this proportion as soon as they can.

These are the two main recommendations in Mr. Hassan's report which are still under consideration by the Railway Board. But what I want to explain to my Muslim friends of this House, is this, that Mr. Hassan's report has not been disregarded; that report has been under consideration and action has been taken on it. I have in my hand a letter from the Secretary of the Railway Board in which it is clearly laid down as to which of these recommendations have been accepted by the Board and, consequently, the Agents have already been instructed to follow up these recommendations. Mr. Hassan made fifteen recommendations. Out of these, there are about seven which are still under consideration. Decisions have been taken on the eight.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has got two minutes more.

Bhai Parma Nand: I promise, Sir, not to move my cut motion if you could give me a little more time. (Voices: "Move your cut motion.") I hope you will allow me, Sir, to include this letter and all these recommendations which have been accepted by the Railway Board as part of my speech—as Maulana Maswood Ahmad had done. The first recommendation was to the Divisional Superintendents that selection should take place on different dates in different Divisions, so that the Muslim candidates from one Division could easily go to another. This recommendation has been accepted by the Railway Board and the Agents are instructed to follow that course. Then, with regard to the point that no regard should be had to the record of the family of any recruit, and so on, the provision has also been made as the Board says that this cannot cause any detriment to the Muslims, because one-third of the vacancies are reserved for the redress of marked communal inequality. With regard to recommendation No. 4, that is, promotions, it is said that the Board consider it important to ensure that particular communities are not handicapped by the preponderance of any one community in the establishment branches of railway offices and they leave it to the Agents to take whatever steps may be necessary for this purpose. Thus, several of these recommendations have been accepted by the Railway Board and instructions have been issued to all the Agents. Out of these eight, two are still under consideration, and I do not know how the Railway Board can consider it feasible to give 35 per cent to one community only.

Sir, if they do assign 35 per cent to the Muslim community, and as the Anglo-Indians, the Indian Christians and the Europeans have already got 20 per cent or more, and if they have to assign a similar share to other communities, that would simply mean that the majority community, that is, the Hindus, must be deprived of their share in all the railway services, their fault simply being that they are a majority community, that they are the main population in this country and have been so for very long ages! That being their fault, they should be deprived of their share, while percentages for other communities should be fixed according to their own wishes and claims.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member must now conclude his speech.

Bhai Parma Nand: Now, Sir, another of Mr. Hassan's recommendations was that a definite organisation should be established which should carry into effect all these recommendations, and, failing that, the Deputy

[Bhai Parma Nand.]

Director, that is, Mr. Hassan himself, must be entrusted with that task. The decision of the Board on that point is that the Board expect every Agent and other officers shall give due consideration to the orders issued in this connection. Sir, I think that should give complete satisfaction to my Honourable friends for the reason that their continued agitation has borne ample fruit and they should see that no more agitation on that point is required.

Mr. S. G. Jog (Berar Representative): It is just like pouring more oil on the fire.

Bhai Parma Nand: As my Honourable friend, Mr. Jog, says, a communal bait is just like pouring oil over the fire, the more oil you pour, the chances are, the more and more the flame will grow and this dispute would never end. My plea is simply this that we are prepared to come to an agreement and to fix the Muslim share so far as the Hindus are concerned. As for the rest, I cannot say anything. But it should not be done as it has been done in the case of the Communal Award when some committee or any other person in authority issues an award giving privileges according to his own arbitrary will to one community or another, against which the Hindus shall have a permanent grievance.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan):

Sir, it is unfortunate again that this question which was raised 4 P.M. against the Government has taken a different turn, and my Honourable friend, Bhai Parma Nand, has given it the most awkward turn.

An Honourable Member: What have you to say about Mr. Maswood Ahmad's speech?

Maulvi Muhammad Shafee Daoodi: I do agree that it should not have been put in that way too, but I fail to understand the mentality of my friend, Bhai Parma Nand. I think he should have weighed his words before he uttered them. At this stage of our political consciousness, he says that communalism is a poison, by which he means that nationalism is a blessing. I do not know if there are not people who also assert that nationalism is a poison and that it is the brotherhood of mankind which is really a blessing. If this sort of discussion goes on, there is no end to it. It is not practical politics. If it was practical, it should have dawned on the minds of my friends some years before. Now, after five or six years fighting between ourselves and having lost all that we were likely to get, it is rather astonishing to me to find Bhai Parma Nand saying that communalism is a poison. He would certainly be remembering the time when our friends the Hindus were not in the position of a minority in any reformed Council and it was then very easy for them to say that the reservation of seats for minorities was something anti-national. But, Sir, with the creation of the North-West Frontier Province as a Governor's Province, the whole thing has come out as transparent as possible. We remember fully well, that, at the very beginning of the Round Table Conference, when a Committee sat to decide the fate of the North-West Frontier Province, it was the President of the Hindu Mahasabha who sat on that Committee as its member in London. (A Voice: "Whom do you mean?") I mean Dr. Moonje. When the question arose as to what proportion of seats should be given to the Hindus

and Sikhs in that Province, I hope the House will remember that the Muslim members only asked the Hindu friends as to what they wanted. The reply was—three times the population, and the Muslim members of the Committee at once, without a minute's delay, agreed to that proposal which they hoped would satisfy the minorities. And the matter was at once set at rest.

Bhai Parma Nand: The whole of the North-West Frontier Province was created out of the Central revenues that came from the people of India and not from the North-West Frontier Province alone. If they had spent their own money on it, we would have welcomed them.

Maulvi Muhammad Shafee Daoodi: I do not know if my friend, Bhai Parma Nand, or myself are contributing to the revenue of India, and, therefore, we are so anxious for that revenue. But the Hindus in the Province are making all their money from the Muslims. However, it is a matter to be decided at some other forum. The point here is, how are we going to put an end to this communalism which is telling so seriously upon the future destiny of India unless the majority community is prepared to satisfy the minority community. After all, the majority right is not going to be snatched away by any community. The majority community will remain a majority community. The only thing that can happen to it will be that a certain portion of their rights will be taken away, but still they will remain a majority. Why are they afraid of this arrangement unless they think that they would rule by their majority in a manner which will be oppressive to the minority. If you have got no such idea, why should you grudge parting with some of your proportions in favour of the minority? A minority must in no case be converted into a majority. That is the position which the Mussalmans in India have taken and that is why the noble souls who sat on that Committee set that very noble example for the whole of India. Now, you cannot say that the principle of representation should be something else and that the principle would be only this and this alone. That the majority should satisfy the minority is the only workable and practicable solution and nothing else can make the chariot go. If the majority has created a sense of insecurity in the mind of the minority, it is responsible for it, and it is for that reason that the minority wants something more than their population share. The Mussalmans of the Frontier may have created a sense of insecurity in the minds of the Hindus and the Sikhs in their Province, and they were, therefore, justified in asking that they will have three times and no less. And this was given ungrudgingly. If the majority cannot think for itself, why does it not imitate the members of that Committee and adopt the same course which they did. I should think that this is a very simple matter. They ought to know that, in this motherland of ours, the two communities have got to live and, therefore, we have got to make up our differences. This cannot be done unless the majority, wherever it exists, satisfies the minority in whatever way it is possible for it to do.

Now, my friend says at one time that the population basis is all right. If it was all right, he should have followed it from the very beginning and could have asked the Frontier Hindus and Sikhs not to ask for anything more than what they were entitled to on the population basis. I would have then considered him to be just. But I find that when his turn comes, he wants three times their due share, and, when

[Maulvi Muhammad Shafee Daoodi.]

the other community talks in the same strain, he comes down upon it and says that it is communalism and it should be discarded.

The next point is, what my friend, Bhai Parma Nand, has just now said, that it was only for these two communities to come to some terms on this question. He is right. But, at the same time, he praised the Honourable Sir Fazl-i-Hussain for having uttered some words to the effect that he wanted the population basis to be the principle by means of which the two communities should be represented in different Provinces. I do not know why he should quote Sir Fazl-i-Hussain when he knows very well that the Muslim community has in its organisation put forward its claims quite distinctly. Before 1st January, 1929, you may have reason to say that the Hindu community in India did not know what the Muslims wanted, whether they wanted this thing or that thing. But on that day all the Muslims came to an understanding and rightly devised a formula which was made public throughout India and throughout the world. In that formula is laid down what the Muslims want. The Muslims said very clearly that if the Hindu minority wanted weightage where they were in a minority, the Muslims also should have weightage wherever they were in a minority. They said very clearly in that formula that the majority community should never be reduced to a minority or even to equality, and today, Sir, we stand by that formula.

Bhai Parma Nand: What about the Federal Assembly?

Maulvi Muhammad Shafee Daoodi: As regards the services, it has been made clear that there is no use having a percentage in the Legislature if the minorities are not to have a hand in the administration of the country. The Administration and the Legislature must go hand in hand, and, therefore, we said that our representation in the Legislature must be reflected in the services too. You cannot make any distinction between the two. If the decision has been taken that the minority communities should have weightage in the Legislature, then the same rule should apply to the services and the minority communities should have representation in the services to the same extent as has been decided upon by the Communal Award. If the communities do not adhere to the Communal Award and if they want to fight over it again, that is a different matter. We have been fighting over this for the past so many years and the third party will, of course, have a very good day if we go on fighting further. Once you say that you cannot decide this question between yourselves, you yourself beg the British people to decide it for you. Now that the decision has been given, you begin to fly away from it. I also feel that I am very much handicapped by that decision in many respects, but I have to blame only the communities. The Hindus were to blame and also the Muslims were to blame, because they could not come to any amicable settlement and they had to join hands in asking the British Government to decide the question. The decision having been given, it is not open for us to say that we will not abide by that decision and that we will go on fighting over the question again. You have to make your choice now whether you are to live peacefully or whether you have to fight. These are the two alternatives before you. If you want to fight with the Muslims, then you will have to forgo your rights as an Indian in your mother country, and if you want to fight with the Government that be or with the authorities that be, then the Muslims are at your service if you treat them honestly and fairly and justly.

Bhai Parma Nand: Why were the Muslims fighting for all these years? Was it not for the 14 points? If the Hindus now agitate against the Communal Award, how can it be said that we are fighting with the Muslims?

Maulvi Muhammad Shafee Daoodi: The question having been settled, you have lost your opportunity to re-open the subject. Do you want to go on with these fights? I would indeed be very sorry and I would never feel pleased when we have to fight among ourselves. But if the fight is forced upon us, then we have to take it up. That is our only position.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member's time is up.

Maulvi Muhammad Shafee Daoodi: I shall conclude in a minute. I was going to say that it is not up to my Honourable friends of the Hindu community to say that they did not know what the Muslims wanted. The Muslims said very clearly in their resolution on the 1st January, 1929, it is so clear that the man who runs in the street could read and find out what the demands of the Muslims are.

Bhai Parma Nand: Formerly you had the 14 points, and now you are coming to the services.

Maulvi Muhammad Shafee Daoodi: In conclusion, I have only to say this. I hope my Honourable friend, Mr. Ranga Iyer, who had been instrumental in bringing about unity between Hindus and Muslims in London will do the same now; he has been doing it on the floor of the House, always coming to our rescue, and I hope he will rise and give us some solution which might end this heart-rending trouble. I hope he will try to smooth the way which should lead to the future prosperity of our country.

Sardar Sant Singh (West Punjab: Sikh): Sir, a similar motion for the adequate representation of my community in the railway services stands in the list, and I take this opportunity to express the desire of my community in the matter of the railway services. Before I begin to speak on the question of communal representation, I must begin to extend a hearty welcome to a new recruit to the communalist fold, to my friend, Sir Cowasji Jehangir, who I see is perhaps sleeping. I am referring to his remarkable speech which he delivered on the floor of the House yesterday. It has been alleged and probably rightly alleged that this communal fever is a contagious one which affects very unknown quarters. In the case of Sir Cowasji Jehangir, it has done likewise. Seeing that the percentage of appointments remains at 100, he is afraid that if the percentage is divided between the various minority communities, his community will be left without any job or without any place in that percentage. Therefore, my Honourable friend made a most contradictory speech, if I may be permitted to say so, it was one of the most extraordinary speeches that we ever heard from his lips. I take strong exception to that part of his speech where he made two statements of facts about the Sikhs. The first was when he said that the Sikhs were not a minority community, and, even if they are so, they are so few in number, that they should not be recognised as a minority community. I only want to draw his attention to a paragraph in the Montagu-Chelmsford

[Sardar Sant Singh.]

Report where, after a good deal of discussion, the Government accepted the principle that the Sikhs were a distinct and important minority community in India. For the first time the Government extended the right of separate representation to the Sikhs in 1920. I think it is too late in the day now for any gentleman to assert to the contrary. The position has been accepted for the last 14 years and the Sikhs are neither willing nor ready to give up that position of advantage. The second statement of fact which my Honourable friend made yesterday was that the Sikhs were a part of the Hindu community and that they must sink or swim with that community.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I take strong exception to that statement. We are not a part of the Hindu community (Hear, hear), and we have never been regarded as a part of the Hindu community in the past. If any evidence is needed to prove that there are serious differences of views between the Sikhs and the Hindus, I can say from my own personal experience that recently there was a contest between myself and a Hindu over the presidentship in a municipal committee. The election cry was raised by the Hindus that Sikhs were not Hindus and hence voting should go on communal lines. That proves that we are not regarded as Hindus. The Hindus may say so now and then, because it suits them, but when it comes to practical politics, they talk of their superior position and superior numbers and they run down the Sikhs just as much as they run down the Muslims. So I say that Sir Cowasji Jehangir is mistaken if he thinks that Sikhs regard themselves as Hindus, or Hindus regard Sikhs as such.

Now, coming to the general discussion on the question of communal representation in the railway services, I must thank the Department in one respect. In my speech in the year 1931, I complained that the Report of the Railway Board did not quote figures for the Sikhs separately. This year we find the figures quoted and this gives me a good deal of information which was not to be found in the previous reports. Looking at the figures, one noticeable feature is that, in the tabular forms on the various pages of this Report, one finds that the column reserved for the Sikhs is only dotted and there are no figures. I tried to find an oasis in this barrenness and my search was rewarded on page 55, Part II. Against Transportation (Traffic) and Commercial heading, there appeared the figure 1. This Part II relates to the statement showing the total number of vacancies filled in the Superior establishments on (Class I) Company-managed railways. Similarly, in the Superior Service, there is not a single Sikh found. In paragraph 73 of the same Report, I find:

"It will be noticed from the statement that during the year under review the total number of appointments made in the gazetted ranks on State-managed railways was 11 of which 4 went to Europeans and 7 to Indians, of whom 2 were Hindus, 1 Muslim, 1 Indian Christian and 3 Anglo-Indians and domiciled Europeans."

If we go by the percentage of population, I think the Sikh population is more than that of Anglo-Indians and Europeans. Why should they get one, and the Sikhs nothing? In paragraph 77, I find:

"The Indian element in the superior services has risen from 28.02 per cent. on State-managed and 17.74 per cent. on Company-managed Railways in 1925 to 38.79 per cent. on State-managed and 32.13 per cent. on Company-managed Railways in 1933 by a corresponding reduction in the European element. Among the Indians the percentage increase by communities in 1933 as compared with 1925 is given below."

And, among the Sikhs, the percentage of increase is 1.08 on the State-managed and 0.87 on the Company-managed railways. Now, this percentage, the Honourable Member for Railways will agree with me, is very inadequate and I shall make one point clear on the position of the Sikhs in the railway services. I will request the Honourable Member to give us separate figures for the various communities on the North Western Railway. The reason is that the Sikh community is largely to be found in the area traversed by that railway. I want to know what is the percentage of Sikhs in the services on the North Western Railway as compared to their population in the Punjab. Here it is suggested in paragraph 79 of this Report that there are certain proposals of the Railway Board which have been submitted to the Government of India in order to decide finally the various percentages allotted to various minority communities, and it is stated that no reply has yet been received from the Government of India on this point. I hope that when the Government of India come to any decision as regards the percentages for the various communities, they will not ignore the claims of the Sikhs, particularly on the North Western Railway system.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has one minute more.

Sardar Sant Singh: All right, Sir. There is one question which I want to put to my friend, Maulana Shafee Daoodi. He has taken just pride in saying that the Muslims have done the just and proper thing in the matter of allowing seats to the Sikhs and the Hindus in the North-West Frontier Province. May I ask him, if he is willing to consider the case of the Sikhs in the Punjab on the same lines as the case of the Muslims have been considered in the United Provinces where the percentage of the Muslim community is the same as the percentage of Sikhs in the Punjab? We can come to a settlement with him if he agrees that we should be given the same percentage in the Punjab as is claimed by him for his community in the United Provinces and Bihar and Orissa.

Maulvi Muhammad Shafee Daoodi: You have been given the same consideration.

Sardar Sant Singh: I take exception to it. If my friend only goes through the Communal Award, he will find that about 30 per cent has been given to the Muslims in the United Provinces where their population is only 14 per cent; yet we have been given only 19 per cent in the Punjab. . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up.

Sardar Sant Singh: With these remarks, I conclude.

Honourable Members: The question may now be put.

Mr. Amar Nath Dutt: Sir, only one Hindu has spoken, while three Muslims and one Sikh have spoken.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the question be now put."

The motion was adopted.

The Honourable Sir Joseph Bhole: Sir, I will endeavour to let in the cold light of reason on to a debate which, unfortunately, it seems to me, has generated a certain amount of heat. I recognise that the Muslim community attaches very great importance to this question, and it is the endeavour of Government to hold the scales as fairly as they possibly can between conflicting claims, taking into account all the considerations which have a bearing upon the question. But I would ask my Muslim friends to recognize our difficulties and not to doubt the genuineness of our intentions.

For the past two or three years, owing to the necessity for retrenchment and the comparative absence of fresh recruitment, the position in regard to Muslims could not be expected to show material improvement with the best will in the world, and I would ask the House to appreciate this aspect of the question

Sir Muhammad Yakub: How many new appointments were made during the last year and what was the proportion of the Muslims in the new appointments?

The Honourable Sir Joseph Bhole: I will give my Honourable friend actual figures. I will show that there has not only not been retrogression, but that there has actually been some improvement. Take the figures on the 1st March, 1931, and compare them with the figures on the 31st March, 1933, that is to say, before retrenchment and after retrenchment. Muslims on the first of these dates showed a percentage of 29.51: on the 31st March, 1933, that is, after retrenchment, they showed a percentage of 29.55

Sir Muhammad Yakub: How many of that are officiating and how many permanent?

The Honourable Sir Joseph Bhole: I am giving you the figures as they are shown in our statements

Sir Muhammad Yakub: Can the Honourable Member show the figures.

The Honourable Sir Joseph Bhole: I am not giving way. That is the position on State-managed railways. Now, take the statistics in the Railway Board's Report for the year 1932-33. They show the percentage of Muslim employees on State-managed railways as 28 per cent. and this compares with 28.1 for the year 1931-32. The suggestion, therefore, that owing to retrenchment their position has been worsened is, I submit, not quite accurate. If my Honourable friend feels he can convince me that we have made a mistake in our figures, I hope that he will endeavour to do so: I shall only be too glad to go into the figures with him—in fact I understand that Mr. Colvin has invited him to do so.

Let us take next the case of gazetted posts. Muslims held in 1932-33, 58 posts on the State-managed railways out of a total of 1,106, or 5.24 per cent. This compares with 4.64 per cent. on State-managed railways in 1931-32, and, with 3.15 per cent. in 1924, when the greater Indianisation in the position of Muslims has not been marked: it has not been very material; but almost the sole reason is the fact that for the last three years we have practically not had any recruitment whatsoever. During the year 1932-33, no direct recruitment other than by promotion has taken place for any department of the State-managed railways in India in the

Superior Services, except that four special class apprentices, who had been recruited in 1926-27, were on completion of their training appointed as probationary officers. Out of these four one was a Muslim. Those are the figures that I am in a position to give. I do not think they show that we have been either negligent or that the specific orders of the Board that the percentage of Muslims and of other minority communities as well, before the retrenchment began, should as far as possible be maintained after retrenchment have been ignored: these figures, I venture to think, show how our orders have actually in practice been carried out.

One other figure I would like to give which also helps, I think, to show that my Honourable friend's contention that there has been no advance is not quite correct. As regards higher paid subordinates, that is, those on scales of pay rising to Rs. 250 and over on the State-managed railways, the percentage of Muslims to the total during 1932-33 was 5.39 compared to 5.38 in 1931-32 and to 3.69 in 1925-26. I do not propose to give the House any further figures. I admit quite frankly that, were it not for the special circumstances of the last two or three years, there might have been—and I expect there would have been—a larger increase in the number of Muslim employees. But these are circumstances over which we have no control. We were limited by the number of appointments that we had to make and we have taken the only steps that we could take, namely, to see that the percentage of Muslims was not reduced

Maulvi Muhammad Shafee Daoodi: What do you say in regard to what the Honourable Mr. Fazal Haq Piracha said, that . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member is not giving way.

The Honourable Sir Joseph Bhole: My Honourable friend is, I think, sufficiently answered, because I have definitely given the percentages before and after retrenchment. Those percentages show that there has been no real diminution. If, as I said to my Honourable friend, Mr. Maswood Ahmad, he could show me that my figures are wrong, I shall be very happy to revise that statement.

We recognise that this question of adequate representation of communities in the services is one which arouses the liveliest interest in all quarters. It is a question beset with very many difficulties and it is not a problem which can be lightly tackled or which can be hastily settled. The House will realise the diversity of interests concerned; it will also realise that any decision taken in respect of one department must have repercussions in respect of other departments. We have now tried. I would like to assure the House, to give the fullest consideration to criticisms and claims from all quarters and our final proposals which have been completed are now before the Secretary of State. I hope that it will be possible, Sir, to announce a decision on this matter at no distant date. In view of that statement, Sir, I hope that my friend will not press his motion.

Mr. M. Maswood Ahmad: Sir, I should like to reply to some of the points raised by my friend, Bhai Parma Nand, and also to the two points raised by my friend, Sir Joseph Bhole.

My friend, Bhaiji, said that communalism was a poison, and in this connection I should like to point out that if communalism is a poison, then Indianisation is a greater poison. The same principle applies to both.

[Mr. M. Maswood Ahmad.]

The principle on which my friend bases his claim for Indianisation, on the same principle we base our communal claims, and our claims for adequate share in the services.

Now, the second point is, who is responsible for creating this communal bitterness? Sir, in this connection I think that my friend, Bhai Parma Nand's speeches are more responsible for creating this bitterness. He and his lieutenants are responsible for ruining India.

The third point raised is with regard to competitive examinations. As I have said on several occasions, I shall have no objection whatsoever if particular qualifications are fixed for particular posts, but I cannot rely on competitive examinations. I may point out that many M.As. and B.As. of different universities having 10 to 12 years experience of the Departments secured only five to ten marks in the recent competitive examinations of the accounts branch in drafting letters. This fact would be known to my friend, Sir George Schuster, to whom I am addressing a letter. I have got a long list of such cases. Out of one hundred and fifty marks allotted for drafting letters, some of the M.As. and graduates with honours in English got only five to fifteen marks. This may certainly appear to be absurd, but this is a fact which cannot be denied.

An Honourable Member: No one will believe it.

Mr. M. Maswood Ahmad: Certainly, no one will believe it, but it is a fact. I say that you should fix particular qualifications for particular posts. You may say that graduates alone will be given the posts of clerks or *chaprasis*, and so on, but I can not rely upon the results of competitive examination. If you want to have these absurd competitive examinations, then close all the universities at once.

Then, the fourth point is with regard to services on a population basis. Though we claim much more, I think my community will be quite satisfied if they are given their due share on a population basis in each cadre and in each grade of each Department.

Now I come to the fifth point. With regard to Mr. Hassan's recommendation, reference was made by Bhai Parma Nand and by my Honourable friend as well, but I should like to point out that it is now nearly two years or more since Mr. Hassan made his recommendations, and every year I hear that very soon Government will come to a decision and Government will fix a certain percentage for Mussalmans, and so on, but, just as the meaning of the word "increase" is different in the dictionary of the Railway Board, the meaning of the word "soon" is also different in the dictionary of the holy trinity of the Railway Board. Sir, three years have passed, but still "soon" has not reached. When questions are asked, the Railway Member says that the file is not with him, it is with the Home Member. Luckily the Home Member is here now, and when the other day I asked him a question, he said he had returned the file to the Railway Board. God knows where the file lies and when a decision will be reached.

Then, there are only two points to which I need allude. My Honourable friend, Sir Joseph Bhore, said that on account of retrenchment it was not possible to raise the percentage of Muslims in the railway services, but what about my friend, Sir Muhammad Yakub's point, what about the recruitment which has taken place during the last two or three years. Here I want to quote certain figures. In 1928-29, 70 people were recruited,

out of this four seats were given to Muslims; in 1929-30, out of 48 people recruited, only five posts were given to Muslims. In 1930-31, out of 60 people recruited, five posts were given to Muslims. In 1931-32, out of 33 people recruited, only one post was given to Muslims. In 1932-33, out of 15 people recruited, only one post was given to my community. This is the position with regard to new recruits, and all the majority of posts have gone into the pockets of my friend, Sir Henry Gidney Pasha. (Laughter.)

Then, my Honourable friend said that he would be prepared to discuss the figures with me, and I shall be very glad to meet him on Monday on this question and will submit a memorandum. I shall then be able to show him how the percentage of Muslims has gradually decreased. Mr. Hayman also in his speech admitted that the percentage of Muslims had decreased in that year by 2 per cent., and Sir George Rainy also accepted it. During the last two years also, as I have shown, the percentage of Muslims has considerably gone down.

Sir, as I said in the beginning, my intention in moving this motion was merely to bring these facts before this House and show what the real position is, and that object I have achieved. I do not want to press this motion to a division, and so I beg leave of the House to withdraw this motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Has the Honourable Member leave of the House to withdraw his motion?

(One Member objected.)

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

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

The motion was negatived.

STATEMENT OF BUSINESS.

The Honourable Sir Brojendra Mitter (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning Monday, the 26th February. The House is already aware that the Budget is to be presented at 5 P.M. on Tuesday, the 27th, that Wednesday, the 28th February, and Thursday, the 1st March, are gazetted holidays on which the House will not sit, and that Friday, the 2nd and Saturday, the 3rd March have been appointed for the general discussion of the Budget. Monday, the 26th and a part of Tuesday, the 27th, are available for other Government business. On Monday, motions will be made for leave to introduce:

- (1) A Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931;
- (2) A Bill to extend the operation of the Trade Disputes Act, 1929, and
- (3) A Bill further to amend the Cotton Textile Industry (Protection) Act, 1930.

[Sir Brojendra Mitter.]

The Salt (Additional Import Duty) Act is to be extended for thirteen months, the Trade Disputes Act is to be made a permanent measure, and the Cotton Textile Industry (Protection) Act is to be extended for one month. The need for the last mentioned Bill arises from the fact that it is not expected that the Bill to amend the Indian Tariff Act for the purpose of protecting the Cotton Textile Industry can be passed into law before the end of March. It is proposed on Monday to ask the House to put through all the stages of the temporary extending Bill at one sitting. A motion will then be made to take into consideration the amendments made in the Reserve Bank of India Bill by the Council of State. Thereafter, motions will be made to take into consideration and pass:

- (1) The Bill to extend for one year the duty on the import of wheat,
- (2) The Bill to extend up to 31st October, 1934, the protection to the Steel and Wire and Wire Nail Industries, and
- (3) The Bill to amend the Indian Medical Councils Act.

On Tuesday, the 27th, a motion will be made for the election of members to the Standing Committee of the Department of Education, Health and Lands. Thereafter, any of the aforementioned business, not concluded on Monday, will be taken up. And, thereafter, the remaining business will be:

- (1) Demands for Supplementary Grants in connection with the Railway Budget, and
- (2) The motion to refer to Select Committee the Indian Navy (Discipline) Bill.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 24th February, 1934.

APPENDIX A.*

OFFICE OF THE CHIEF AUDITOR, NORTH WESTERN RAILWAY (TRAFFIC AUDIT BRANCH):

Seniority list as it stood up to 3rd May 1933.

Serial No.	Name.	Date of joining service.
1	Mr. Hakumat Rai	October, 1916.
2	Mr. Thanesar Dass	July, 1920.
3	Ajmeri Singh	August, 1926.
4	M. R. Seth	April, 1925.
5	Mohammad Tufail	October, 1922.
6	Hans Raj	July, 1924.
7	Lila Dhar	October, 1925.
8	Wazir Singh	August, 1926.
9	Tulsi Ram	April, 1928.
10	P. S. Puri	October, 1928.
11	T. Gonsalves	January, 1929.
12	Krishna Kumar.	July, 1927.
13	Sardari Lal	September, 1927.
14	Shiv Shankar	October, 1927.
15	Savindar Singh	June, 1929.
16	Abdul Karim	September, 1929.
17	Chela Ram	March, 1930.
18	J. O. Reilly	April, 1930.
19	S. L. Puri	April, 1926.
20	Nazir Hussain	September, 1927.

Seniority list as it stood on 4th May, 1933, supplied to me in reply to my question on 5th September, 1933.

1	Mr. Ajmeri Singh	August, 1926.
2	Mr. Sardari Lal	September, 1927.
3	Mr. Tulsi Dass	April, 1928.
4	Mr. Dhani Ram.	..
5	Mr. Durga Dass.	..
6	Mr. Nand Lal	..
7	Mr. Thanesar Dass	July, 1920.
8	Mr. Hans Raj	..
9	Lila Dhar	October, 1925.
10	Wazir Chand	August, 1926.
11	Tulsi Ram	April, 1928.
12	Savindar Singh	June, 1929.
13	Krishna Kumar.	July, 1927.
14	M. R. Seth	April, 1925.
15	P. S. Puri	October, 1928.
16	Mr. Hakumat Rai	October, 1916.
17	Mr. Mohammad Tufail	October, 1922.
18	Mr. T. Gonsalves	January, 1929.
19	Mr. Shiv Shankar	October, 1927.
20	Abdul Karim Khan	September, 1929.
21	Mr. Chela Ram	March, 1930.
22	J. O. Reilly	April, 1930.

* Vide page 1258 of these Debates.

LEGISLATIVE ASSEMBLY.

Saturday, 24th February, 1934.

The Assembly met in the Assembly Chamber of the Council House
Eleven of the Clock, Mr. President (The Honourable Sir Shanmukha
Chetty) in the Chair.

QUESTIONS AND ANSWERS.

GOLD EXPORTED FROM INDIA.

221. ***Lala Rameshwar Prasad Bagla:** Will Government please inform the House of the total exports of gold from India till February 10, 1934 giving its value in rupees and its quantity in tolas, since Britain went off the gold standard?

The Honourable Sir George Schuster: Exports of gold between the 22nd of September, 1931, and the 31st of December, 1933, the latest date up to which Monthly Sea-borne Trade Accounts have been received, amounted to about 20½ million fine ounces, of an approximate value of Rs. 162½ crore.

SURCHARGE ON INCOME-TAX AND SUPER-TAX.

222. ***Lala Rameshwar Prasad Bagla:** (a) Will Government be pleased to state if they are thinking of doing away with the surcharge on income tax and super-tax?

(b) Will Government kindly state if they have received any representations from public bodies and individuals to that effect and also the names of those who have submitted such representations?

The Honourable Sir George Schuster: (a) I must ask the Honourable Member to await my Budget speech.

(b) One, from the Associated Chambers of Commerce.

ALLEGED MALADMINISTRATION OF THE AJMER MUNICIPALITY.

223. ***Bhai Parma Nand:** (a) Will Government be pleased to state whether it is a fact that the administration of the Ajmer Municipality has been going from bad to worse and that it has become necessary to appoint an Enquiry Committee to investigate into its affairs?

(b) Is it a fact that the Ajmer Municipality appointed an Executive Officer in the year 1931, on a very high pay as compared with the small amount of pay he was receiving in another place and that the Municipality did not subsequently consider it worth while to invest the Executive Officer with the powers as suggested by the Chief Commissioner? If so, why?

(c) Is it a fact that certain irregularities were committed by the said Executive Officer, for which an explanation was demanded from him?

Mr. H. A. F. Metcalfe: (a) An Enquiry Committee has been appointed.

(b) and (c). An enquiry on the subject has been made from the Local Administration, and a reply will be laid on the table in due course.

SHIFTING OF THE RAILWAY CLEARING ACCOUNTS OFFICE TO ANOTHER BUILDING.

224. ***Bhai Parma Nand:** (a) Will Government be pleased to state what is the life fixed by engineers of the Clive Building, in which is located the Railway Clearing Accounts Office?

(b) Is it a fact that the life of the building is over, and if so, will Government please state why no steps have been taken so far by the authorities to shift the Railway Clearing Accounts Office to any other building?

(c) Do Government intend to shift the office from its present building to any other? Is it a fact that the last heavy rains and the recent earthquakes have badly damaged the building, and that it would be very dangerous to risk the lives of hundreds of people?

(d) If the reply to part (c) be in the affirmative, will Government please state when the office will be shifted?

Mr. P. R. Rau: I am informed that there is no perceptible damage to the building caused by the earthquake. Its condition was recently examined by an engineer who has reported that it is quite safe.

ALLEGED EXISTENCE OF COMMUNAL TENSION IN THE POSTAL DEPARTMENT AT CAWNPORE.

225. ***Bhai Parma Nand:** (a) Will Government be pleased to state whether they are aware of the fact that a strong communal tension has been existing in the Postal Department at Cawnpore for sometime past, and also that some Hindu officials made representations to the Director General, and that their petitions were withheld by the Postmaster General?

(b) Is it a fact that giving promotions on communal grounds is contrary to Director General's letter No. A. M.-516/12/27, dated the 22nd November, 1933?

(c) Will Government be pleased to state the rules regarding the appointments of Town Inspectors in first class Head Offices?

The Honourable Sir Frank Noyce: (a) The matter is under enquiry, and a reply will be laid on the table in due course.

(b) Yes, but the date of the Director-General's letter is 22nd November, 1927, and not 22nd November, 1933, as stated by the Honourable Member.

(c) No definite rules have been prescribed but the appointments are made by selection from amongst ordinary time-scale clerks of the General Post Office or first class Head Office group concerned.

FIXATION OF HOLIDAYS FOR DUSSEHRA AND DIWALI ON PROPER DAYS IN THE UNITED PROVINCES POSTAL CIRCLE.

226. ***Bhai Parma Nand:** (a) Are Government aware that Postal holidays for Dussehra and Diwali were not fixed on proper days in the United Provinces?

(b) Were any representation received from the staff regarding the change in dates in the Circle Office, and if so, why were not the dates changed?

(c) What action do Government propose to take for fixing the holidays for these Hindu festivals on right dates?

The Honourable Sir Frank Noyce: Information is being obtained and a reply will be laid on the table of the House in due course.

ALLOWANCES FOR LOWER DIVISION CLERKS IN THE POST OFFICES IN THE PUNJAB CIRCLE.

227. ***Bhai Parma Nand:** Is it a fact that no special pay or compensatory allowance is sanctioned for lower division clerks in the Post Offices in the Punjab Circle at places where it is sanctioned for all other classes of officials higher and lower? Will Government kindly state the reasons for this differential treatment and whether they propose to remove the anomaly?

The Honourable Sir Frank Noyce: The fact is substantially as stated. Compensatory allowance or special pay is at present drawn by Posts and Telegraphs officials on ordinary clerical time-scales of pay serving in certain specified localities according to the orders of the Government of India issued from time to time. On account of the unsatisfactory state of the finances in the Posts and Telegraphs Department, the question of reducing the existing rates or of abolishing the allowance, wherever possible, is being investigated, and new grants of allowances either to clerks in the lower division of the clerical time-scale, which is of recent introduction, or to any other classes of officials have had to be refused generally in all Circles on the ground of the additional expenditure involved.

PAYMENT OF INCOME-TAX BY THE EMPLOYEES OF THE POSTS AND TELEGRAPHS DEPARTMENT SERVING IN THE KASHMIR STATE.

228. ***Bhai Parma Nand:** (a) Is it a fact that the Imperial Government Servants of the Posts and Telegraphs Department serving in the territory of Jammu and Kashmir State were exempted from the payment of income-tax before the year 1931?

(b) Is it a fact that such servants do not derive any benefit of the services for which the tax is utilised?

(c) Is it a fact that such servants have to pay other taxes in the shape of customs duty, etc., levied by the Kashmir Darbar?

(d) If the replies to parts (a), (b) and (c) be in the affirmative, do Government propose to consider why such servants should not be exempted from the payment of income-tax?

The Honourable Sir Frank Noyce: (a) No, only those servants of the Indian Posts and Telegraphs Department, who were State subjects, were exempted from the payment of Income-tax before the year 1931.

(b) No.

(c) Yes.

(d) No. Government can see no reason for such exemption.

TRANSFERS MADE IN THE PUNJAB POSTAL CIRCLE FROM THE HIGHER TO THE LOWER SCALES OF PAY.

229. ***Bhai Parma Nand:** (a) Will Government kindly lay on the table a statement showing the number of transfers made in the Punjab Postal Circle from the higher to the lower scales of pay in connection with the retrenchment scheme for reasons other than inefficiency or misbehaviour?

(b) Are Government aware that such transfers are detrimental to the interest of the staff and create great hardships?

(c) Do Government propose to order the stoppage of such transfers and have the old cases reviewed in order to have the officials concerned restored to their original position?

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

INCREASE IN THE NUMBER OF RAILWAY MAIL SERVICE SORTERS.

230. ***Bhai Parma Nand:** (a) Is it a fact that when casual leave is granted to Railway Mail Service sorters, they are required to pay extra duty allowance to those who work in their place, and that this is not the case with officials of other Departments?

(b) If the reply to part (a) be in the affirmative, do Government propose to consider the advisability of removing this grievance of the sorters by increasing the number of reserve sorters?

The Honourable Sir Frank Noyce: (a) The fact is not as stated. On the contrary, in July 1932, instructions were issued by the Director-General to Heads of Postal Circles to the effect that the distribution of the leave reserve staff in a Railway Mail Service division should be made so as not to put a sorter unnecessarily on double duty and also to permit the grant to a sorter of casual leave by arranging for a leave reserve sorter to work in the vacancy without requiring the absentee to make any payment on account of his substitute.

(b) Does not arise.

LOANS ON POSTAL INSURANCE POLICIES.

231. ***Bhai Parma Nand:** (a) Are Government aware that all private companies dealing with life insurance work advance loans to the insureds on certain conditions?

(b) If the reply to part (a) be in the affirmative, do Government propose to extend this system to the Post Offices which carry on insurance business?

The Honourable Sir Frank Noyce: (a) Government understand that this is the case.

(b) As loans up to the surrender value in each case can be obtained from any bank on the security of policies, Government do not propose to introduce the system of granting loans in the Postal Insurance Fund, which is intended to give special facilities to Government servants and persons of analogous position for making a provision for their families and not unnecessarily to compete with private business.

PREPONDERANCE OF THE MEMBERS OF ONE COMMUNITY IN CERTAIN APPOINTMENTS IN THE PUNJAB POSTAL CIRCLE.

232. ***Bhai Parma Nand:** Will Government be pleased to state whether it is a fact that in the cadres of postmen, mail peons, letter-box peons, runners and line staff, in every division and in the first class Head Offices in the Punjab and the North-West Frontier Province Postal Circle, the members of only one community preponderate?

The Honourable Sir Frank Noyce: Government have no precise information regarding the particular classes of staff mentioned by the Honourable Member, as distinct from other staff of similar categories, but if (1) postmen, village postmen, departmental branch postmasters, overseers, overseer-postmen, head, sorting and roader postmen are taken as one category, and (2) all inferior servants (including mail peons, letter box peons and runners) as another category, the reply is in the negative.

COMMUNITIES OF THE TELEPHONE INSPECTORS IN THE DELHI TELEGRAPH ENGINEERING DIVISION.

233. ***Bhai Parma Nand:** Is it a fact that out of six existing appointments of the Telephone Inspectors in the Delhi Telegraph Engineering Division, five are held by the members of one community and that two new vacancies also have been given to the members of the same community, ignoring the claims of senior members belonging to other community?

The Honourable Sir Frank Noyce: The reply to the first part of the question is in the affirmative. I would remind the Honourable Member that these posts are filled by selection and not on communal considerations. As regards the second part, the fact is substantially as stated by the Honourable Member. As regards the third part, if the senior officials referred to consider that they have a grievance, it is open to them to represent it to the proper authority through the usual official channel.

STOPPAGE OF THE INCREMENT OF A TELEGRAPHIST IN THE PUNJAB POSTAL CIRCLE.

234. ***Bhai Parma Nand:** Is it a fact that a telegraphist of the Lahore Telegraph Office falsified his out-turn slips on five different occasions in the months of August and September, 1933, while the increment of another telegraphist in the Punjab Circle belonging to another community, who committed one offence in 1931, was stopped for six months?

The Honourable Sir Frank Noyce: Government have no information, but a copy of the question has been sent to the local authority concerned for such action as he may consider necessary.

PURCHASE OF WAGONS BY THE SOUTH INDIAN RAILWAY.

235. ***Mr. Nabakumar Sing Dudhoria:** (a) Will Government be pleased to state whether the South Indian Railway has been given sanction to purchase 282 broad gauge wagons at a total cost of Rs. 13 lakhs during 1934-35?

(b) If the answer to part (a) be in the affirmative, has the sanction been accorded on the plea of meeting the additional traffic that may arise due to the conversion of the Shoranur-Cochin Railway into broad gauge?

(c) Will Government please state whether the terms of the original agreement with the Cochin Durbar did not contemplate that funds for all capital expenditure on the Shoranur-Cochin Railway, (including rolling stock), should always be provided by the Durbar?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state the reason or reasons for which the South Indian Railway has been charged to defray the expenses for the capital expenditure on behalf of the Cochin Durbar in contravention of the terms originally agreed upon?

Mr. P. R. Rau: (a) Provision has been made in the estimates now before the House.

(b) Yes.

(c) and (d). I would draw the attention of the Honourable Member to the memorandum on the subject placed before the Standing Finance Committee for Railways published in Volume X, No. 5, of their proceedings.

PURCHASE OF DIESEL ELECTRIC CARS BY THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

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

(a) whether it is a fact that four lakhs of rupees have been sanctioned for the purchase of six Diesel electric cars by the Madras and Southern Mahratta Railway;

(b) if so, the special reason or reasons therefor;

(c) whether in working out the comparative costs between rail and motor services in connection with that project, the costs of spare engines and motor have been taken into account;

(d) whether also as a set-off against the above item, the costs of locomotives and carriages under repairs have been excluded in the estimated cost of the steam train service?

Mr. P. R. Rau: With your permission, Sir, I shall reply to questions Nos. 236 and 237 together. Full information about this proposal is contained in a memorandum placed before the Standing Finance Committee for Railways on the 2nd of February, 1934, which will be found in pages 12-14 of Vol. X, No. 5, of their proceedings.

PURCHASE OF DIESEL ELECTRIC CARS BY THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

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

(a) whether or not the Agent of the Madras and Southern Mahratta Railway strongly pleaded for the purchase of the six Diesel electric cars on the plea of counteracting road transport competition on a certain section of that system;

(b) whether that officer was of the definite opinion that that sort of experiment would prove an unqualified success?

†For answer to this question, see answer to question No. 236.

USE OF DIESEL ELECTRIC CARS AND LOCOMOTIVES.

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

(a) whether or not the use of Diesel electric cars is still in the experimental stage;

(b) whether or not two Diesel electric locomotives were recently purchased for the North Western Railway;

(c) whether or not the experiment on that system with those engines proved a failure; and

(d) whether or not similar sort of experiment with Diesel engines proved unsuccessful with the Mysore Railway?

Mr. P. R. Rau: (a) Yes, at least in India.

(b) and (c). I presume my Honourable friend refers to the two locomotives the purchase of which the Standing Finance Committee approved in May 1933. These have not actually been purchased, but tenders have been called for. The experiment has yet to be made.

(d) I am not aware of any similar experiment on the Mysore Railway which has failed.

PURCHASE OF DIESEL ELECTRIC LOCOMOTIVES BY THE GREAT INDIAN PENINSULA RAILWAY.

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

(a) the precise terms of the Memorandum which the Railway Board made when the Great Indian Peninsula Railway mooted a proposal for the purchase of Diesel electric locomotives in 1933;

(b) whether they have considered that the use of that type of locomotive may prove a success where there is scarcity of water-supply or where the coal fields are at a distance?

Mr. P. R. Rau: My Honourable friend is presumably thinking of the memorandum which was placed before the Standing Finance Committee for Railways in regard to the purchase of two Diesel electric locomotives on the North Western Railway. If so, it will be found in pages 55-57 of Vol. X, No. 1, of their proceedings. I am not aware of any proposals for the purchase of such locomotives for the Great Indian Peninsula Railway.

REDUCTION IN FARES OF BUSES IN DELHI.

240. ***Bhagat Chandi Mal Gola:** (a) Are Government aware that the Delhi Electric Supply and Traction Company are running buses between Delhi and New Delhi?

(b) What were the original fares between any two halting places?

(c) Is it a fact that the fares have been increased between Gol Market and Paharganj, and Paharganj and Kutub Road? Will Government please lay on the table a statement showing the causes for the increase in fares?

(d) Are Government aware that the buses are practically running empty between the places mentioned?

(e) Is it also a fact that the Company intend to reduce the fares when the Government of India move to Simla?

(f) Do Government intend to intervene and get the fares reduced for the comfort of their men now? If not, why not?

Mr. G. S. Bajpai: (a) Yes.

(b) A copy of the list of fares is laid on the table.

(c) There has been no increase in the fare between the Gol Market and Paharganj. The fare between Paharganj and the Kutub Road, which was reduced from three to two pice, has been restored to the former level.

(d) and (e). No.

(f) Government see no reason to take any action in the matter.

DELHI ELECTRIC SUPPLY AND TRACTION CO., LTD.

(INCORPORATED IN ENGLAND.)

Omnibus Time Table.

SERVICE No. 1.

NEW DELHI POST OFFICE TO KASHMERE GATE.

8.15	8.45	9.15	9.45	10.15	10.45	11.15	12.15	1.15
2.15	3.15	3.45	4.15	4.45	5.15	5.45	6.15	6.45
7.15	7.45	8.15	8.45	9.15	to Kutab Road only.			

Buses leave for Kashmere Gate.

From Gol Market	5 minutes	} After times given above.
From Connaught Place	8 "	
From Kutab Road	15 "	
From Dufferin Bridge	20 "	
Arr. Kashmere Gate	25 "	

KASHMERE GATE TO NEW DELHI POST OFFICE.

8.15	8.45	9.15	9.45	10.15	10.45	11.45	12.45	1.45
2.45	3.45	4.15	4.45	5.15	5.45	6.15	6.45	7.15
7.45	8.15	8.45	9.15	to Kutab Road only.				

Buses leave for New Delhi Post Office.

From Dufferin Bridge	8 minutes	} After times given above.
From Kutab Road	10 "	
From Connaught Place	17 "	
From Gol Market	20 "	

SERVICE No. 2.

TIMARPUR TO FOUNTAIN.

8.30	9.0	9.30	10.0	10.30	11.0
12.0	1.0	2.0	3.0	3.30	4.0
4.30	5.0	5.30	6.0	6.30	7.0
7.30	8.0	8.30	9.0	9.30	

Buses leave for Fountain.

From The Mall	4 minutes	} After times given above.
From Old Secretariat	7 "	
From Metcalfe Road	10 "	
From Delhi Club	11 "	
From Kudsia Road	13 "	
From Kashmere Gate	16 "	
From General Post Office	20 "	

FOUNTAIN TO TIMARPUR.

8.30	9.0	9.30	10.0	10.30	11.30
12.30	1.30	2.30	3.0	3.30	4.0
4.30	5.0	5.30	6.0	6.30	7.0
7.30	8.0	8.30	9.0		

Buses leave for Timarpur.

From General Post Office	5 minutes.	} After times given above.
From Kashmere Gate	10 "	
From Kudsia Road	12 "	
From Delhi Club	13 "	
From Metcalfe Road	15 "	
From Old Secretariat	18 "	
From The Mall	21 "	

SERVICE No. 3.

HAUZ KAZI TO GOL MARKET.

8.30	9.10	9.50	10.30	and then between
3.30 P.M. to 8.50 P.M. every 40 minutes.				

The bus leaving at 9.50 A.M. will run through to New Secretariat.

GOL MARKET TO HAUZ KAZI.

8-50 9-30 10-10 10-50 and then between
3-50 P.M. and 9-10 P.M. every 40 minutes.

The bus leaving at 4-30 P.M. will start from New Secretariat.

SERVICE No. 5.

KUTAB ROAD—PAHARGUNJ BAZAR—GOL MARKET.

From Kutab Road—

Between 8 A.M. and 9-20 P.M. every 20 minutes.

From Gol Market—

Between 8 A.M. and 9-40 P.M. every 20 minutes.

Mornings and evenings on office days this service will be extended between Timarpur and New Delhi to the following timings :—

MORNINGS.—Gol Market to Timarpur via Rajpur Road 9-0, 9-20 and 9-30 A.M.

EVENINGS.—New Secretariat to Timarpur 4-30 and 5-0 P.M.
Saturdays 2-0 and 2-30 P.M.

MORNINGS.—Timarpur to New Delhi Secretariat direct 9-30, 9-50, 10 A.M.

EVENINGS.—Timarpur to Gol Market 5 and 5-30 P.M.

Saturdays 2-30 and 3-0 P.M.

December, 1933.

L. O. FULLER,
General Manager.

FARE LIST.

SERVICE No. 1.

3 Pice.

Kashmere Gate—Clearing Accounts Office
Dufferin Bridge—Qutab Road.
Qutab Road—Pahargunj.
Pahargunj—Gol Market.
Connaught Place (Near Lady Hardinge)—
New Delhi Post Office.
New Delhi Post Office—Secretariat.

4 Pice.

Kashmere Gate—Tis Hazari.
Tis Hazari—Pahargunj.
Qutab Road—Connaught Place (Near
Lady Hardinge).
Secretariat—Gol Market.

5 Pice.

Kashmere Gate—Qutab Road.
Dufferin Bridge—Pahargunj.
Clearing Accounts Office—Connaught
Place (Near Lady Hardinge).
Qutab Road—Gol Market.

6 Pice.

Kashmere Gate—Pahargunj.
Pahargunj—New Secretariat.
Dufferin Bridge—Connaught Place (Near
Lady Hardinge).

2 Annas.

Kashmere Gate—Connaught Place (Near
Lady Hardinge).
Clearing Accounts Office—Gol Market.
Qutab Road—Secretariat.

2½ Annas.

Kashmere Gate—Gol Market.
Dufferin Bridge—New Delhi Post Office.

3 Annas.

Kashmere Gate—New Delhi Post Office or
Secretariat.

SERVICE No. 2.

3 Pice—

Fountain—Kashmere Gate (Church).
General Post Office—Kudsia Road.
Kashmere Gate (Church)—Metcalf House
Road.
Kudsia Road—Old Secretariat (Centre
Gate).
Metcalf House Road—The Mall Junction.
Old Secretariat (Centre Gate)—Timarpur.

FARE LIST—contd.

4 Pice.

Fountain—Kudsia Road.
General Post Office—Metcalf House
Road.
Kashmere Gate (Church)—Old Secretariat
(Centre Gate).
Kudsia Road—The Mall Junction.
Metcalf House Road—Timarpur.

5 Pice.

Fountain—Metcalf House Road.
Kashmere Gate (Church)—The Mall
Junction.
General Post Office—Old Secretariat
(Centre Gate).
Kudsia Road—Timarpur.

6 Pice.

Fountain—The Mall Junction.
General Post Office—Timarpur.

2 Annas.

Fountain—Timarpur.

3 Pice.

Hauz Qazi—Government Press.
Ajmeri Gate—Connaught Place.
Minto Corner—Regal Theatre.
Government Press—Municipal Office.
Regal Theatre—Assembly House.
Municipal Office—New Secretariat.

4 Pice.

Hauz Qazi—Regal Theatre.
Ajmeri Gate—Municipal Office.
Government Press—Assembly House.
Regal Theatre—New Secretariat.
Hauz Qazi—Paharganj.

5 Pice.

Hauz Qazi—Municipal Office.
Ajmeri Gate—Assembly House.
Government Press—New Secretariat.

6 Pice.

Hauz Qazi—Assembly House.
Ajmeri Gate—New Secretariat.
Hauz Qazi—Gol Market.

2 Annas.

Hauz Qazi—New Secretariat.

SERVICE No. 5.

3 Pice.

Timarpur—Flagstaff Road.
The Mall—Underhill Road.
Underhill Road—Tis Hazari.
Court Road—Qutab Road.
Kutab Road—Pahargunj (Chhe Toti).
Pahargunj Bazar—Baird Road Panch
Kuin Road.

4 Pice.

Timarpur—Underhill Road.
Flagstaff Road—Tis Hazari.
Kutab Road—Baird Road Panch Kuin
Road.

5 Pice.

Timarpur—Court Road.
Court Road—Pahargunj.
Kutab Road—Gol Market.

6 Pice.

Timarpur—Tis Hazari.
Flag Staff Road—Kutab Road.

2 Annas.

Timarpur—Kutab Road.
Flagstaff Road—Pahargunj.
Underhill Road—Connaught Place.

2½ Annas.

Timarpur—Pahargunj.
Flagstaff Road—Gol Market.
Tis Hazari—New Secretariat.

3 Annas.

Timarpur—Connaught Place or Gol
Market.
Underhill Road—New Secretariat.

3½ Annas.

Timarpur—New Delhi Post Office or
Secretariat.

STRENGTH OF THE TELEGRAPH DEPARTMENT ON STATE AND COMPANY-MANAGED RAILWAYS.

241 *Lieut.-Colonel Sir Henry Gidney: Will Government please state:

(a) the total strength of the Telegraph Department on each of the State and Company-managed Railways, separately, with reference to those employees drawing Rs. 30 and upwards per mensem; and

- (b) how many Europeans, Anglo-Indians, Hindus, Muslims and other classes are employed in the Telegraph Department of each of these Railways drawing the above rates of pay?

Mr. P. R. Rau: The information is not readily available and its compilation will involve an amount of labour which, in the opinion of Government, is incommensurate with its value when collected.

EMPLOYMENT IN THE WIRELESS SERVICE UNDER THE CONTROL AND ADMINISTRATION OF THE NORTH WESTERN RAILWAY.

242. ***Lieut.-Colonel Sir Henry Gidney:** (a) Will Government please state if it is a fact that there is a separate wireless service in existence under the control and administration of the North Western Railway, with its terminal stations at Delhi Fort and Lahore?

(b) If the answer to part (a) be in the affirmative, will Government please state whether or not it is a fact that none but *ex*-soldiers of the British Army are employed in that service as operators and that the initial salary of such employees is Rs. 175 per mensem?

(c) If the answer to part (b) be in the affirmative, will Government please state whether other communities are eligible for employment in this branch of the telegraph service? If not, why not?

Mr. P. R. Rau: I am obtaining information and will lay a reply on the table in due course.

PAY OF INDIAN STATE RAILWAY SERVANTS.

243. ***Lieut.-Colonel Sir Henry Gidney:** Will Government please state whether the principle contained in the Railway Board's announcement issued from Delhi on the 21st December, 1933, regarding the pay of Indian State Railway servants, whether permanent, temporary or officiating since July 15th, 1931, is applicable to all other Government servants similarly placed? If so, when do Government propose to publish a communiqué to this effect? If not, why not?

The Honourable Sir George Schuster: The answer to the first part of the question is in the affirmative. The orders have been communicated to all concerned, and a Press communiqué has not been considered necessary. It is still less necessary, now the Honourable Member's question has given publicity to the matter.

ILLICIT IMPORTATION OF ARMS AND AMMUNITION INTO INDIA.

244. ***Lieut.-Colonel Sir Henry Gidney:** Will Government be pleased to state:

- (a) the number of cases during the past 10 years, that have come to the notice of the Customs and Police authorities at the various Indian ports of illicit importation of arms and ammunition into India *via* the sea-ports;
- (b) whether this importation of arms and ammunition *via* the sea-ports is on the increase since 1921?

The Honourable Sir Harry Haig: (a) and (b). It would be difficult to give full information of the number of cases that have come to the notice of the Customs and Police authorities at the various Indian ports of illicit importation of arms and ammunition into India *via* the sea-ports. Apart from seizures made by the Customs authorities, seizures of arms in illicit possession some of which have been illicitly imported are frequently made by the Police. The problem of smuggling, however, is one to which the Government of India and local maritime Governments are fully alive, and I can assure the Honourable Member that we are in constant consultation both with the home authorities and Local Governments as to the measures to be taken to prevent it.

RULES FOR ADMISSION TO INDIAN VETERINARY CORPS AS COMMISSIONED OFFICERS.

245. ***Sirdar Harbans Singh Brar:** (a) Do Government propose to expedite the publication of the rules enabling Indians of the same qualifications as Britishers, to enter Indian Veterinary Corps as Commissioned officers?

(b) When are such rules likely to be published?

Mr. G. R. F. Tottenham: (a) and (b). The attention of the Honourable Member is invited to the answer I gave on the 22nd December, 1933, to his starred question No. 1506. I have nothing to add to that answer.

STAFF DECLARED UNFIT DUE TO ILL-HEALTH FOR EMPLOYMENT ON THE NORTH WESTERN RAILWAY.

246. ***Sardar Sant Singh:** (a) Is it a fact that the Agent, North Western Railway, issued a circular letter No. 831-E/221, on the 3rd November, 1928, to all Divisional Superintendents to the effect that every endeavour should be made to secure alternative employment to staff whose removal from their appointments is due to ill-health?

(b) Is it a fact that in his letter No. 434-E/60, dated the 22nd February, 1930, the Agent further notified that staff declared medically unfit for employment in their own category but considered fit for employment in other classes will be considered eligible for leave due preparatory to retirement and when on leave, such members of the staff can be recalled if suitable appointments could be found for them?

(c) Is it a fact that a register of all such names of men referred to in parts (a) and (b) is required to be maintained and hopes were held out that preference would be given to such members in recruiting? If so, do the North Western Railway administration maintain any such register?

(d) Is it a fact that rules were framed regulating the discharge of non-gazetted Government servants by Railway Board letter No. 4080, dated the 10th November, 1929? If so, did rule No. 6(ii) provide that when an employee has completed ten years continuous service, every effort should be made to avoid the hardship entailed by his discharge unless frequent specific failures in work have occurred on his part for which he has been given a written warning and he has been punished with stoppage of increment or reduction in pay during two years prior to his discharge?

(e) Is it a fact that one Guard, Bahar Shah of Multan Division, lost one eye, was declared unfit, and was subsequently employed as a luggage guard?

(f) Is it a fact that at a medical examination the vision of the right eye of Sayed Basharatullah, a Guard of the Lahore Division, was declared unfit for A and B class certificates, but fit for C class certificate? If so, is it a fact that such an employee is considered fit for the post of a luggage guard?

(g) Is it a fact that he applied for being employed as a luggage guard? If so, why was he not similarly employed in spite of the fact that several vacancies occurred?

Mr. P. R. Rau: (a) and (b). Government have no information, but I assume my Honourable friend has seen these circulars and I am quite willing to take his word for their existence.

(c) No such register has been prescribed by the Railway Board.

(d) Yes.

(e) to (g). These are matters within the competence of the Agent to settle and Government consider their intervention unnecessary.

Sardar Sant Singh: May I invite the attention of the Honourable Member that part (c) refers to matters referred to in parts (a) and (b), and (a) refers to the circular of the Agent, N. W. Railway, in which he says that registers are to be maintained. While replying, the Honourable Member has said that the Railway Board has not issued such instructions. Will he please refer to this question and say if the Agent, North Western Railway, has not issued circulars for maintaining these registers?

Mr. P. R. Rau: As I have already said, I have no information about the orders issued by the Agent in this connection.

Mr. M. Maswood Ahmad: Will Government inquire from the Agent?

Mr. P. R. Rau: I have already said that I am prepared to trust my Honourable friend in this matter.

Sardar Sant Singh: I can read this portion of the circular for the benefit of the Honourable Member. The circular letter is No. 831-E./221, dated the 3rd November, 1928:

"I shall be glad if you will bring this practice into force with immediate effect, bearing in mind that a register of all such names should be maintained and employment offered to individuals contained therein in preference to outsiders."

Mr. P. R. Rau: It was quite unnecessary for my Honourable friend to read it. I have already said that I have implicit confidence in him in this matter.

Sardar Sant Singh: May I know, then, if the reply to part (c) is to be modified in view of this circular, because I want information on the point whether the Agent has ordered the maintenance of such registers or not.

Mr. P. R. Rau: All I said was that no such register has been prescribed by the Railway Board. As regards the Agent's order, the Railway Board must leave it to him to see that those orders are carried out.

Sardar Sant Singh: May I know, with reference to part (f), in reply to which the Honourable Member said that the Railway Board does not want to interfere with the discretion of the Agent, whether it is a fact that this gentleman, Sayad Basharatullah, Guard, made four appeals to the Agent which were all rejected in the first instance, and when he addressed an appeal to the Railway Board on the 23rd September, 1929, the Agent granted him four months' leave after rejecting his appeals.

Mr. P. R. Rau: No such appeal has reached the Railway Board.

Sardar Sant Singh: Is it not a fact that, under rule 23 (3) (c), the Agent granted him four months' leave on the 23rd September, 1929?

Mr. President (The Honourable Sir Shanmukham Chetty): Next question.

FILLING UP OF VACANCIES IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

247. ***Sardar Sant Singh:** (a) Will Government be pleased to state if it is a fact that the Manager, Government of India Press, New Delhi, has ordered that all vacancies in his Press will be filled by Bengalis from the Calcutta Press? If so, has the approval of the Controller of Printing and the Government of India been obtained to the stoppage of recruitment of candidates from all other provinces?

(b) Is it a fact that all appointments of compositors on the regular establishment have been given to Bengalis and local men have been informed that they will be discharged on the 15th April, 1934, and replaced by Bengalis?

(c) Is it a fact that Bengali compositors have recently been employed on high rates of pay and local men given the minimum pay of their grade only? If so, what are the reasons for this differential treatment?

The Honourable Sir Frank Noyce: (a) No. The second part of the question does not arise.

(b) and (c). Five Bengalee compositors of the Government of India Press, Calcutta, whose services were terminated owing to reduction of establishment in that Press, have been re-employed on the regular establishment of the New Delhi Press. The question of the fixation of their rates of pay is under consideration. Four local men also have been employed on the minimum rates, their term of appointment expiring on the 15th April, 1934. They have not been informed that their places will be filled by Bengalees after that date.

Mr. M. Maswood Ahmad: Do Government propose to see that the interests of the men living in the different Provinces will not be overlooked?

The Honourable Sir Frank Noyce: I think it has been stated on several occasions in this House that recruitment is not made on provincial considerations.

Mr. M. Maswood Ahmad: Certainly this is correct. Do Government appreciate the necessity that all the Provinces should be kept in mind while making these appointments?

The Honourable Sir Frank Noyce: No, Sir.

Diwan Bahadur Harbilas Sarda: Will the Honourable Member kindly state whether there are any Marwari compositors?

The Honourable Sir Frank Noyce: I have no idea.

Diwan Bahadur Harbilas Sarda: Will Government see that the claims of Marwari compositors are considered for receiving training?

The Honourable Sir Frank Noyce: No, Sir.

Diwan Bahadur A. Ramaswami Mudaliar: Is it a fact that Marwaris are not British Indian subjects?

The Honourable Sir Frank Noyce: My Honourable friend is not, I think, quite correct. I imagine that some Marwaris come from Ajmer-Merwara and the position in regard to recruitment from Ajmer-Merwara was explained to my Honourable friend, Diwan Bahadur Harbilas Sarda, in reply to a recent question he asked on this subject.

Diwan Bahadur Harbilas Sarda: Marwaris and Ajmer-Merwara men are not identical terms. Ajmer-Merwara is a British province.

Mr. President (The Honourable Sir Shanmukham Chetty): What question is the Honourable Member asking?

Diwan Bahadur Harbilas Sarda: My point was whether Government would take steps to train Marwaris as compositors to serve in the Government of India Press, and the Honourable Member replied that, so far as the people from Ajmer-Merwara were concerned, he had given me a reply. I did not ask anything about the people of Ajmer-Merwara. Just as Honourable Members were asking for Sikhs and other communal people, I asked for Marwaris. Marwaris are those who live originally in Rajputana, not in Ajmer-Merwara only and who now live in Delhi, Bombay, Calcutta, all over India. They are called Marwaris, because of their origin. They belong to British India. I only sought enlightenment from the Honourable Member whether the Government of India consider it also advisable that the community of Marwaris should be allowed to furnish some candidates.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has given more enlightenment than he has sought.

Mr. M. Maswood Ahmad: May I know from the Government whether their policy is that only men from one or two Provinces should be taken into Government service?

The Honourable Sir Frank Noyce: No, Sir. The Government's policy is to select the best applicants from whatever province they come.

Mr. D. K. Lahiri Chaudhury: Do the Government of India place their orders with presses other than the Government of India Press?

The Honourable Sir Frank Noyce: That does not appear to me to arise out of the present question.

Mr. Bhuput Singh: Will the Government of India take Jains in the Government of India Press?

The Honourable Sir Frank Noyce: There is no bar to their doing so.

RECRUITMENT OF A SIKH APPRENTICE IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

248. ***Sardar Sant Singh:** (a) Will Government be pleased to state why no Sikh has so far been recruited as an apprentice to learn the art of printing in the Government of India Presses?

(b) How many apprentices have been trained since the introduction of the apprenticeship scheme in the Government Presses and to which community did they belong?

(c) Is it a fact that an apprentice will shortly be recruited for training in the Government of India Press, New Delhi, for the first time? If so, do Government propose to consider the claims of the Sikh community? If not, why not?

The Honourable Sir Frank Noyce: (a) Suitable candidates from the Sikh community were either not available for appointment as apprentices when vacancies occurred, or when available and offered apprenticeships, declined to accept them.

(b) The number of apprentices trained and under training at present is 11 of whom 7 are Hindus and 4 Muslims.

(c) An apprentice has recently been appointed in the Government of India Press, New Delhi, for the first time. The claims of candidates from the Sikh community were considered, but no suitable candidate was available.

RECRUITMENT OF SIKHS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

249. ***Sardar Sant Singh:** (a) Are Government aware that out of about 100 compositors in the Government of India Press, New Delhi, only one is a Sikh?

(b) Is it a fact that there is not a single Sikh Lino Mono. Operator and Caster in the said Press? If not, why not?

(c) Do Government propose to order the recruitment of more Sikhs in further vacancies so as to give the Sikh community its due share? If not, why not?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The reply to the first part is in the affirmative. As regards the second part, no Sikh applying for the appointment has so far been found to be suitably qualified for it.

(c) The orders of Government relating to the recruitment of minority communities are being followed.

ABSENCE OF WORKING RULES FOR A CERTAIN PERIOD ON THE HARDWAR RAILWAY STATION.

250. ***Mr. S. G. Jog:** Will Government please enquire and state whether it is a fact that from the close of the Adh. Kumbh Mela at Hardwar, on the 19th April, 1933, till the close of the Outer Cabin (Lane

Clear Station) on the 18th May, 1933, there were no working rules at the Hardwar Railway Station, on the East Indian Railway, Moradabad Division? If so, who is responsible for the infringement of the Railways Act?

Mr. P. R. Rau: Government understand that special working rules duly approved by the Senior Government Inspector were issued to meet the altered condition of the yard during the Adh Kumbh Mela and presumably these rules continued to be in force until normal working was resumed.

ENQUIRY INTO THE ADMINISTRATION OF THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI.

251. ***Mr. S. G. Jog:** (a) Are Government aware, and if not, will they please enquire and state, if it is a fact that out of the eighteen candidates, only three were declared successful at the last course of Assistant Station Masters held at the Railway School of Transportation, Chandausi, East Indian Railway? If so, what are the circumstances under which such a high percentage of failure took place?

(b) Is it a fact that during the period of test examination, the Superintendent (Mr. R. F. Wood) was away from the School, on an excursion? If so, who conducted the examination of the subjects taught by him?

(c) Does the high percentage of failure reflect on the teaching staff? If not, why not?

(d) Do Government propose to have the present administration of the School enquired into by an independent Committee of both officials and non-officials? If not, why not?

Mr. P. R. Rau: (a), (b) and (d). Government have no information and do not consider that an enquiry is called for.

(c) A high percentage of failure does not necessarily reflect on the abilities of the teaching staff. A more probable explanation is the abilities of the examinees.

CLOSING OF THE IRON BRIDGE OVER THE RAMGANGA RIVER NEAR MORADABAD.

252. ***Mr. S. G. Jog:** (a) Are Government aware, and if not, will they please enquire and state, whether it is a fact that the Iron Bridge over the Ramganga River near Moradabad is closed for all traffic by the order of the Divisional Superintendent, East Indian Railway, Moradabad?

(b) Is it a fact that a contractor has erected a boat bridge over the said river just close to the Railway bridge?

(c) Is it a fact that the contractor charges a tax for the use of the said boat bridge and derives an income due to the closure of the rail bridge?

(d) Is it a fact that the said contractor pays the Station Master at Kathgar a sum of Rs. 150 per mensem as royalty for the period the railway bridge remained closed?

(e) Is it a fact that the said royalty is credited to Railway accounts?

(f) Are Government aware that due to the income from the royalty to the Railway, the general public is much harassed?

(g) Do Government propose to take action to remove the inconvenience caused to the public by such actions of the Station Master and the railway authorities? If not, why not?

Mr. P. R. Rau: Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

TRANSFER OF MR. G. ST. LEGER, TRANSPORTATION INSPECTOR, DINAPUR, TO MORADABAD.

253. ***Mr. S. G. Jog:** (a) Will Government be pleased to state the circumstances under which Mr. G. St. Leger, Transportation Inspector (Power), Dinapore, is transferred in the same capacity to Moradabad? Is not the said transfer against the reply by Mr. P. R. Rau to starred question No. 997 of the 28th March, 1933, as laid on the table of this House on the 30th August, 1933?

(b) Do Government propose to take action to set right the anomaly? If not, why not?

Mr. P. R. Rau: I am unable to guess how the transfer of an officer from one station to another in the same capacity can be against the reply referred to. If my Honourable friend, will kindly elucidate this point, I shall consider whether any action on the part of Government is necessary.

FOG SIGNALS USED ON STATIONS OF THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

254. ***Mr. S. G. Jog:** Will Government please enquire and state:

(i) whether it is a fact that on the 25th December, 1933, "Detonators" or "Fog Signals" were fired at every station of the Moradabad Division, East Indian Railway, to celebrate the ceremony of Lord Christ's birth? If so, were they also fired on the ceremony of the births of His Majesty the King Emperor, of Lord Krishna, of Lord Rama and of Prophet Muhammad? If not, why not?

(ii) what was the financial expenditure incurred by such use of detonators on the 25th December, 1933?

Mr. P. R. Rau: (i) Fog Signals are apt to deteriorate and it is necessary to test the stock occasionally. It is possible that some tests were made on the 25th December, 1933. There is no objection to such tests being made on any other day.

(ii) Government have no information, but it cannot be otherwise than insignificant.

NON-PAYMENT OF SALARIES OF THE DEMOTED STAFF AT THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI.

255. ***Mr. S. G. Jog:** Are Government aware and if not, will they please enquire and state whether it is a fact that the demoted staff at the Railway School of Transportation, Chandausi, East Indian Railway, were not paid their salaries since September, 1933? If so, what are the reasons for the non-payment, and what action has been taken by Government to ensure the regular payment to the school workers?

Mr. P. R. Rau: Government are enquiring into the matter and I shall give a reply on the table in due course.

AGS OF CLOTH FOR BIHAR EARTHQUAKE SUFFERERS AT THE MEERUT CITY RAILWAY STATION.

256. *Rao Bahadur B. L. Patil: Is it a fact that the Railway authorities at the Meerut City Station received on the 8th February, 1934, from the Secretary, Kisan Mazdoor Sabha, Meerut, six bags of cloth for sending them at half-rate to Babu Rajendra Prasad, Patna, for relief purposes, and that the bags are still lying at the Meerut City Station?

Mr. P. R. Rau: The bags were despatched from Meerut City station on the 16th February, 1934. The delay in despatch was due to the Station Master having to obtain from the Divisional Superintendent, Moradabad, an authority for the concession rate to be allowed. Arrangements have since been made for the concession rates to be allowed without the production of any letter or other authority, for consignments despatched to bona fide relief organisations in the earthquake affected area included in lists to be supplied to Railways by the Government of Bihar and Orissa.

TREATMENT OF IMPERFECT SIGHT WITHOUT THE USE OF GLASSES.

257. *Mr. Badri Lal Rastogi: (a) Are Government aware:

- (i) that Dr. W. H. Bates, M.D., of New York, is the discoverer of a cure for imperfect sight by treatment without glasses, and that Dr. R. S. Agrawal, L.S.M.F., an eye-specialist of Bulandshahr (U. P.), is the follower and practitioner of that very system;
- (ii) that Dr. Agrawal has started a charitable hospital at Bulandshahr, the special feature of which is to check the use of glasses and cure patients without them, and that numerous patients from distant places go to that place for treatment and are being cured remarkably by the so-called method?

(b) Are Government also aware:

- (i) that there are several institutions of "Perfect Sight without Glasses" in Germany, England, America and other places, started on Dr. Bates' system while there is none in India started on that system;
- (ii) that the practitioners of this system give a challenge to the effect that children below 12 years of age suffering from myopia or short-sight can be completely cured and their glasses, if used, can also be dispensed with for good without any exception; and
- (iii) that Dr. Agrawal has introduced a simple scheme in some of the schools of Bulandshahr in order to check myopia among students and that this scheme has been a grand success?

(c) If the answers to parts (a) and (b) be in the affirmative, do Government propose (i) to start some clinic or school at Delhi for the cure

and training of the system of imperfect sight without glasses and (ii) to have a copy of the book entitled "The Cure of Imperfect Sight by Treatment without Glasses" in the Library of this House?

Mr. G. S. Bajpai: (a) and (b). Government have no information.

(c) Does not arise.

UNSTARRED QUESTIONS AND ANSWERS.

STATION MASTERS AND ASSISTANT STATION MASTERS ON THE NORTH WESTERN RAILWAY.

83. Mr. Goswami M. R. Puri: Will Government kindly state the number of Indian and Anglo-Indian assistants and station masters, separately, on the North Western Railway, drawing Rs. 260 and over?

Mr. P. R. Rau: Information with regard to staff on scales of pay rising to Rs. 250 and over is contained in the Report by the Railway Board on Indian Railways for 1932-33. Government consider that the collection of the information required by the Honourable Member with regard to certain categories of staff alone will involve considerable amount of labour which in their opinion is not likely to be justified by its results.

MUSLIM STAFF IN THE ACCOUNTS AND AUDIT OFFICES IN INDIA.

84. Mr. Muhammad Anwar-ul-Azim: Will Government be pleased:

- (i) to state the percentage of the Muslim staff on the 1st April, 1933, in all the Accounts and Audit Offices under the Auditor General in India, and
- (ii) to lay on the table a statement showing the total number of sanctioned appointments on the 1st April, 1933, in each time-scale of pay in those offices, classifying them into gazetted, non-gazetted, permanent and temporary, and also showing the number of Muslims in each grade?

The Honourable Sir George Schuster: The attention of the Honourable Member is invited to the statements showing the communal composition of (1) the clerical staff of the civil offices of the Central Government and (2) the All-India and Central Services, which are prepared annually and are in the Library of the House. Government are unable to give more detailed information regarding the communal composition of the Accounts and Audit Offices than is contained in these statements.

COMPARATIVE STRENGTH OF DIFFERENT COMMUNITIES IN CERTAIN GRADES OF THE ENGINEERING BRANCH OF THE PUNJAB AND NORTH-WEST FRONTIER POSTAL CIRCLE.

85. Bhai Parma Nand: What is the comparative strength of different communities among the Line Inspectors, Line-Men and Sub-Inspectors' grade of Engineering Branch of the Punjab and the North-West Frontier Province Circle?

The Honourable Sir Frank Noyce: The latest figures in possession of Government which are up to the 31st December, 1933, and which relate to the entire cadre of line staff comprising the three grades mentioned by the Honourable Member, are as follows:

Hindus	338
Muhammadans	514
Sikhs	35
Indian Christian	1
Other communities	..
Total	888

SUPERVISORY APPOINTMENTS IN THE LAHORE POSTAL DIVISION.

86. Bhai Parma Nand: What is the number of supervisory appointments in the Lahore Postal Division and the number of members of each community holding them?

The Honourable Sir Frank Noyce: There are 13 such appointments; of these five are held by Hindus, seven by Muslims and one by a Sikh.

CERTAIN STAFF IN THE DERAJAT POSTAL DIVISION.

87. Bhai Parma Nand: What is the number of Departmental Branch Postmasters, Mail Overseers, Postmen and Inferior Servants in the Derajat Postal Division and the number held by each community?

The Honourable Sir Frank Noyce: Information on the exact lines asked for by the Honourable Member is not readily available, but a statement containing the information in possession of Government, which, I hope, will meet the Honourable Member's requirements, is annexed.

Communal strength of staff in the Derajat Postal Division on 31st December, 1933.

	Hindus.	Muslims.	Sikhs.	Other communities.	Total.
1. Departmental branch postmasters, overseers, overseer-postmen, head, sorting and reader postmen, postmen and village postmen.	12	114	2	..	128
2. Inferior servants	7	75	..	..	82

OVERSEERS AND HEAD POSTMEN IN THE JHELUM POSTAL DIVISION.

88. Bhai Parma Nand: What is the number of Overseers and Head Postmen of different communities in the whole of the Jhelum Postal Division?

The Honourable Sir Frank Noyce: Overseers—6, viz., five Muslims and one Sikh. Head Postman—one only, who is a Muhammadan.

OFFICIALS RETRENCHED IN THE PUNJAB POSTAL CIRCLE.

89. Bhai Parma Nand: Will Government please lay on the table a statement showing under each head, the number of officials of each community, brought under retrenchment in the Punjab Postal Circle?

The Honourable Sir Frank Noyce: Such information as is available is given in the statement below:

	Hindus.	Muslims.	Sikhs.	Christians.	Other communities.
Superintendents of Post Offices.	1	2	..	..	..
Deputy Assistant Engineer, Telephones.	..	..	..	1	..
Engineering Supervisor	1	..	..	..	..
Telegraph Masters	1	1	..	12	..
Telegraphists	12	..	..	74	..
Clerical staff—					
(i) in Post Office Branch—					
Selection grades	36	25	6	..	1
Time-scales	72	42	7	..	3
(ii) in Railway Mail Service Branch—					
Selection grades	12	4	1	..	..
Time-scales	35	14	3	..	..
(iii) in Telegraph Traffic Branch—					
Selection grades	3	..	..	..	..
Time-scales	5	1	..	..	..
(iv) in Postmaster-General's Office (including Dead Letter Office, Lahore)—					
Selection grades	8	..	1	..	..
Time-scales	5	3	..	..	..

As regards other staff, Government regret that information is not readily available and could not be obtained without an expenditure of time and labour which Government consider would not be justifiable.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

90. Mr. S. G. Jog: With reference to Government's answer to unstarred question No. 330 of the 14th December, 1933, will Government

be pleased to state whether claims to appropriate higher rates of pension, on account of substantial increase in the disability as a result of the original cause, have not been declared as time-barred, *vide* A. I. I. No. 53 of 1932?

Mr. G. R. F. Tottenham: No.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

91. Mr. S. G. Jog: (a) Are Government aware of letter No. R/23/1/352, dated the 26th January, 1934, from the Commandant, Mountain Artillery Training Centre, Ambala, in which he rejects a claim to revision, under Government orders on recommendation No. XXI (II) (g) (iv) and (v) of the War Pensions Committee and the Pension Controller refuses to entertain the claim submitted to him through the Commandant, by sending a copy of the petition direct, *vide* his letter No. G.-3/7001, dated the 7th February, 1934?

(b) Will Government be pleased to state who is the proper authority to adjudicate revision of pensionary claims under Recommendation No. XXI of the War Pensions Committee?

(c) What is the procedure, which they recognise in cases, where the Officer Commanding does not forward the claim to the sanctioning authority despite Government orders on Recommendation No. II?

(d) Who is the competent authority to interpret whether a particular claim does, or does not fall under the recommendations of the War Pensions Committee?

(e) Are Government aware that most of the Officers Commanding have assumed the role of interpreter to Pensionary Regulations, and the Government orders on the recommendations of the War Pensions Committee?

(f) Do they propose to take some action in order to expedite the settlement of claims?

Mr. G. R. F. Tottenham: (a) No.

(b) It depends on the nature of the claim. Some can be adjudicated by the local administrative authorities, some by the audit authorities concerned and others again by the Government of India.

(c) If the Commanding Officer does not consider it necessary to forward a claim to higher authority, he informs the claimant accordingly, together with the reasons for his decision. If the claimant is not satisfied, he has the right of petitioning higher authority as indicated in the Government orders on Recommendation No. II.

(d) The local audit and administrative authorities. Doubtful cases are submitted for the orders of the Government of India.

(e) Officers Commanding are expected to be conversant with rules, regulations and Government orders affecting the personnel serving under them; and no reason has been given for supposing that they are interpreting them incorrectly.

(f) Instructions have been issued for the expeditious disposal of all pension claims and Government have no reason to believe that they are not being observed.

REDUCTION IN THE EMOLUMENTS AND IN THE NUMBER OF TRAFFIC INSPECTORS.

92. Bhagat Chandi Mal Gola: With reference to the reply to question No. 1556, on the 5th December, 1932, regarding reduction in the emoluments and also in the number of Traffic Inspectors, that the information to that effect had been called for and that it would be laid on the table in due course, will Government please let the House know whether the information can now be supplied?

Mr. P. R. Rau: The information required was laid by me on the table of the House on the 13th February, 1933.

RESERVATION OF POSTS OF ASSISTANT ACCOUNTS OFFICERS, NORTH WESTERN RAILWAY, FOR TRAVELLING INSPECTORS OF ACCOUNTS.

93. Bhagat Chandi Mal Gola: With reference to the reply to question No. 1558 on the 5th December, 1932, regarding the reservation of the three posts of Assistant Accounts Officers, North Western Railway, for Travelling Inspectors of Accounts of that Railway, in conformity with the Auditor General's instructions of the 17th January, 1932, to the Chief Auditor, North Western Railway, that the question would be considered in consultation with the Auditor General, will Government kindly let the House know the result of the consultation?

Mr. P. R. Rau: The Honourable Member is referred to parts (d) and (e) of the information placed on the table of the House on the 31st August, 1933, in reply to question No. 15, dated the 1st February, 1933.

RE-INSTATEMENT OF RETRENCHED RAILWAY EMPLOYEES.

94. Bhagat Chandi Mal Gola: Will Government kindly say if they propose to take any favourable action on Dr. Ziauddin's presidential address on the occasion of the Muslim Conference as published in the *National Call*, dated the 5th February, 1934, regarding the re-instatement of all the retrenched railway employees?

Mr. P. R. Rau: Retrenched railway employees are retained on a waiting list and will be re-employed as vacancies occur.

CLASSIFIED SENIORITY LIST OF STATE RAILWAY EMPLOYEES.

95. Mr. S. G. Jog: (a) Is it a fact that Mr. P. R. Rau, informed this House in reply to starred question No. 998 of the 28th March, 1933, that classified lists of all servants (superior or inferior) are maintained on all State Railways? If so, will Government please state the date on which the said classified lists were notified to the employees of the Moradabad Division, East Indian Railway?

(b) Will Government please obtain a copy of the said classified lists of all servants (superior or inferior, gazetted or non-gazetted) of the East Indian Railway and either lay it on the table or forward the same to me? If not, why not?

Mr. P. R. Rau: (a) I said that I understood that seniority lists are maintained on all State Railways. It has not been laid down that such lists should be notified to the staff.

(b) No. These lists are meant for departmental use and not for publication.

THE RAILWAY BUDGET—LIST OF DEMANDS—contd.

Second Stage—contd.

DEMAND NO. 1—RAILWAY BOARD—contd.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of Demand No. 1—Railway Board.

Unreasonable Rates.

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

"That the demand under the head 'Railway Board' be reduced by Rs. 100."—
(Unreasonable rates.)

In this connection I will restrict myself and my speech to the unreasonable rates for carrying goods from one station to another. The Railway Rates Advisory Committee, constituted as a result of the Acworth Committee, was empowered among other matters to investigate and make recommendations on the question whether a particular railway rate was reasonable in its effect. But, Sir, reasonableness of rates has never been discussed in the Committee. Sir, the great difficulty in this connection is that India is governed for the benefit of England, and, Sir, the whole policy is directed for the benefit of British interests. The railway lines have been constructed either in the interests of the army or in the interest of giving facilities to British industrialists and capitalists. The policy of the Railway Board is that raw materials should be supplied to England at a cheaper rate and as quickly as possible, while her manufactured articles can be distributed to the interior at the cheapest possible rate so that the British trade may expand in this country. In this connection I want to quote certain examples. Take the case of the carriage of matches from one station to another. The freight from Bombay to Delhi is practically the same as it is from Ahmedabad to Delhi, while the latter is at a distance of 300 miles less. Recently they have changed this policy and have nominally increased the rate from Bombay to Delhi, very nominally.

Then comes the question of freight for foreign sugar. You will find that from Bombay to Cawnpore the rate is slightly over 13 annas a maund while the distance is about 840 miles, but the freight for the Indian sugar from Cawnpore to Akola in the Central Provinces is one rupee 2½ annas, while the distance is 650 miles only.

The same is the case with cotton. When cotton is taken to Bombay, the rate is very cheap and the reason for this is that cotton can thus be supplied to Lancashire at a cheaper rate, but while the same cotton is taken from the Central Provinces and other places to Upper India, the rate is higher. The rate for raw materials for Bombay is very cheap.

At the same time when we consider the difference between the Indian-owned mills and the European-owned mills, the case becomes still worse, and you will see that the rate for cotton to mills in Cawnpore, which is the centre of the European-owned mills, is cheaper than that to Delhi from certain stations, though the distance from Cawnpore in some cases is double that of Delhi. This station to station rate is again very objectionable and gives undue preference.

Sir, these rates are fixed in other countries in accordance with certain principle and ideas. If you will look into the question of other countries, you will find that the case is quite different. Here I want to draw your attention to the cases which were decided in America in which it has been definitely said that in arriving at the determination of what is a reasonable rate, the interests of both the public and of the carrier should be considered. Further, in that case, it has been said that it is not always possible to do full justice to both. What then should be done in that case in which justice is not possible to both? The American Court says that where this is the case, the right of the public must prevail (Hear, hear), but in this country the case is quite contrary. In all these cases here, the interests of Lancashire and other countries prevail. In another case in America, it has been very definitely said that consideration must be given to the fact as to how much a particular commodity can afford to pay. I quote a case from this book, Sir:

"Hence, in determining the reasonableness of railway rates, consideration must be given not only to the carrier, but to individuals requiring the services. The carrier is entitled to adequate recompense for the services performed. The individual is entitled to the rate that he can reasonably afford to pay for the services he requires."

If you consider the rates for agricultural produce, you will find that the rates are particularly very very unreasonable which agriculturists cannot afford to pay. Their minimum rate is, I believe, .01 pie per manud per mile, while, for food-grains, you will find that, on the Assam-Bengal Railway, the rate is .3 per maund per mile, for the Bombay, Baroda and Central India Railway the rate is .333 pies per maund per mile, the Bengal Nagpur Railway rate goes a bit higher to .38 up to 300 miles and then it goes down to .130 and .1 pies per maund per mile. The Eastern Bengal Railway rate is .3 pie per maund per mile. The Great Indian Peninsula, the North Western Railway and the East Indian Railway rate is about .333 pie per manud per mile.

On page 117 of the Report on Indian Railways, you will find that the working expense of a goods train on the Eastern Bengal Railway is five annas six pies only per ton per mile and on the East Indian Railway and on other State Railways you will find that the rate is two annas to 2.55 annas per ton per mile, and in this way the rates vary between two annas and five annas. But the rates, if you work them out, are very high in connection with the food-grains that are to be taken from one station to another station. Sir, I think Government do not realise that grain trade is also an important trade of this country. I have on several occasions said and several Honourable Members have supported me that India is an agricultural country, and I shall not hesitate to say that Government should devote all their time in order to improve the condition of the agriculturist. But the condition of the agriculturist cannot be improved when the rates for the carrying of grains are so high. I will, therefore, suggest that the cheapest rate should be given for the carrying of agricultural produce from one place to another.

[Mr. M. Maswood Ahmad.]

Sir, the last point that I wish to point out is that for some time past the preparation of the statistics about the rail-borne trade has been discontinued. I will request the Government, through you, Sir, that they should reconsider this point and they must prepare these rail-borne trade statistics as well so that people may know what is the condition of the inter-provincial trade. I will also suggest that, when these rates are changed, they should be placed before the Central Advisory Committee and there must be a uniform rate for all stations, for, at present, it is very difficult to work out the rates from different stations to different stations. The agriculturists are not in a position to decide as to which station they should send their goods, because the calculation of these rates is very very difficult. I would also suggest that my Honourable friend should have the lowest possible rate for agricultural goods especially for rice and paddy; just as they have made special rates for sending wheat to Calcutta and Karachi, in the same way, facilities should be given to Bihar by allowing the special rate for carrying rice from Bihar to other provinces. In this connection I would say that Bihar deserves a great deal of sympathy on account of the earthquake as well, and, if they really want to help that area, they must reduce the rate for agricultural produce.

The rate for carrying the sugar cane is so high that I had a talk with certain mills here, and I came to know that it was very difficult to take sugar cane from those suffered areas to factories near Delhi. I hope that my Honourable friend, Sir Joseph Bhore, will show the same sympathy to my Province, even if it involves some loss, as was shown by my Honourable friend, Sir Frank Noyce, who has said that no money order fees would be charged for sending money to the Relief Committees. In the same way, some reduced rates should be given by the Honourable Sir Joseph Bhore for carrying sugar cane from Bihar to the mills in the United Provinces. It may be, say, four annas a maund, the sugar cane producer in Bihar may get at least four annas a maund. With these words, Sir, I move my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I most heartily support my friend, Mr. Maswood Ahmad's motion, and I am glad he had the opportunity of moving it today, although it is the last day of the Railway Budget demands. I am also grateful to you for giving me this opportunity to speak before my friend Diwan Bahadur Ramaswami Mudaliar gets up, because once he gets up, it is impossible for me to make out any points. So I am glad that I will be able to say whatever I have got to say before my friend, the Diwan Bahadur, supplements it with his wide knowledge and greater researches into the statistics and the trade movements and returns and all that.

Sir, I have got only a few remarks to make, but I am very sour upon the way in which railways discriminate between one commodity and the other commodity and also between rates from one station to another in connection with the agricultural produce. I have a little grievance against my friend, Mr. Maswood Ahmad, that when he appealed to Government to make special rates for rice, he forgot Madras. Sir, Madras is always at a disadvantage except when something or other turns up, and then the Honourable the Home Member says that Madras can take care of herself.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Madras took care of us also in this House.

Raja Bahadur G. Krishnamachariar: We certainly try to do it, but at the same time I have got to live. All that I want in connection with the disposition of the rates is to enable me to have some food to eat and then I will thank God and will be able to take care of everybody here, so that they may not go wrong including my Honourable friend, Mr. Gaya Prasad Singh. (A Voice: "He always goes wrong.") Sometimes he does. There is one little incident that took place some time ago. I do not know if the same thing exists now, because, latterly, I had no opportunity to take interest in this. That is the most favourable rate that the railways quote for the raw products and the most disadvantageous rate when they can find a wagon for the finished material. I will give you an instance. The Hyderabad Dominion is, I think, the second largest tract of country, in India which produces castor seed. Years ago, there was an American concern, and a representative of it came out here and wanted to manufacture oil and the by-products from the castor seed. They wanted to lay their pipe line from the nearest station to the Marmagao port and then bring their own steamers and load the oil in those steamers and take it to America. The reason why such a proposal came into existence was this. If I exported raw material, then the representatives of Volkart Brothers or of Rally Brothers will outdo me, because they have the greatest facilities in the shape of wagons from the place of production right up to the port. Now, if I have got oil and if I had made a forward contract with a foreign country, the greatest difficulty for me is to transport that oil from my place right up to the port and to get it in time to fulfil my contract with the foreign merchant or importer. Time after time we were faced with this difficulty. At last we found relief by getting this American company to start on a huge scale the manufacture of oil and conveying it right up to Marmagao. We had to cover a long distance, because we are living in the interior and our friends, the Madras and Southern Mahratta Railway Company on the one side and the Great Indian Peninsula from Wadi to Raichur on the other, are so very solicitous of our welfare that it was impossible to give effect to this scheme on whatever calculations you may arrive at it, and the result was that the whole scheme failed. If this statement of mine is challenged, I can adduce proofs to the effect that materials which could be utilised as raw materials in other countries, were not so treated. Of course I have nothing to say against those people who try and get their things as cheap as possible. In the matter of business, it is no good sitting down and crying; you must be up and doing. But my complaint is about my own railways, which, as my Honourable friend, Mr. Neogy, said the other day, belong to us, in consequence of the 850 crores of capital that we have sunk in them. I say, therefore, that the railways should not make a discrimination in that matter. I will tell you another incident. When we opened up what is now known as the metre gauge in the Nizam Railways, at that time it was known as the Hyderabad-Godavari Valley Railway, naturally we transported our agricultural and industrial products from Hyderabad and from the other end of our metre gauge right up to Manmad and from there tranship them on to Bombay. Before that, all our goods went as far as Wadi and from there we had to take them to Bombay. Everybody knows that the distance between Manmad and Bombay is less than the distance between Wadi and Bombay. The G. I. P. Railway authorities found out that we were diverting our trade to Manmad, and so they promptly raised the freight and made the freight

[Raja Bahadur G. Krishnamachariar.]

between Manmad and Bombay equal to the freight between Wadi and Bombay. That may be a business-like way of doing things, and the result was that the Hyderabad agriculturist was faced with this position. We were situated in an inland place and so we had to pay more and more money. Between the Railway Company and the Government which come in for its demand, what is there? My Honourable friend says, improve the conditions of the agriculturists. But there is nothing left upon which the agriculturist could improve himself. If there is any excess of production, as I believe it is the idea of the Railway Department, then they ought to give us facilities for exporting the excess products.

The other day I was told that we in Madras produce 1,250,000 tons of rice more than our actual requirements and we get 400,000 tons from Burma as imports, so that we have got 1,650,000 tons to get rid of. I believe the condition now is that Bengal produces much less than what it requires for her own consumption. Now, Sir, it is up to Government to give us facilities to get rid of the extra produce, so that it may go to Bengal and find some market. It is no good saying that I am asking for more than what the Madras rice fetches in my own place. But when I do find some market for my rice, and I have got to tranship my surplus production to Bengal, then, I submit, we ought to be given some facilities to do that as cheap as possible.

I would like to bring one other matter to the notice of the Honourable Member in charge. Burma exports rice to India. I do not object to that, because Burma at present forms part of India, and so long as she chooses to be with India, I cannot object to Burma sending her rice over to India. But what I am concerned with is that the rates that prevail for transporting by sea Burma rice up to Madras is infinitely less than the rate, for instance, that obtains between Madras and the Southern Districts, say, up to a distance of 200 miles. What, therefore, happens is that, instead of unloading in Madras, they take it to one of these coastal ports by choice, Negapatam, and then from there they take to the Southern Districts. Being coarser rice, it can be sold much cheaper than the rice that we produce, and the result is, even the little money that we can make out of our produce are lost to us on account of this. The rate for sea-going traffic from Burma to Madras is cheaper, and, therefore, some means must be devised by which the railway freights could be made as cheap as the steamer freights. I do not know how the Government will do it. It is not my business to find out ways and means. My business is merely to cry for a remedy. The Government say that they take care of me and they take as much as 85 per cent in the shape of land revenue from me in order to maintain the Government. Therefore, it is the business of the Government to find out a remedy to cheapen the railway freights. It is not for me to suggest the remedy. If I am in the place of Government, then probably I would have suggested some remedy, but at present I have no materials before me, and, therefore, I do not know how these freights are worked out. My business is only to tell the Government how I am situated economically, and it is left to the Government to relieve my distress.

Last year or the year before, the Ceylon market was practically closed to us, and what little export there could be from the Southern districts was prevented by the attitude of the S. I. Railway. Yesterday, my Honourable friend, Mr. Uppi Sahab, said a lot of things about his part of

the country. The S. I. Railway were good enough to resist us for a long time, and, after a good deal of trouble, they lowered the rate just to such an extent that it was impossible to accept, for the price has gone down. Perfectly true, they lowered the rate and probably their income was reduced, on that account. I cannot say definitely, because, if the rates are lowered, there is a greater quantity that is exported and probably the income would be adjusted in this manner. I wanted to study the statistics, but they were so confused that I had to wade through a tremendous lot of figures which, if it does not absolutely confound you, it is absolutely of no use to you for all practical purposes. I submit that India is chiefly an agricultural country and it contains 90 per cent of agricultural population, and the prosperity of India will never come except if the agricultural population is protected. How are you going to do it? If there is a little surplus, we are not able to export it to another place. The rise in the price for which we have been asking for a long time has not come about, and, the more I think of it, the more I am led to think that it depends upon the devaluation of the rupee. But I am not going to trouble the House about that now, because it would be irrelevant to the point under discussion. Barring that, I would respectfully submit that Government would kindly make a list of the agricultural products and trace them from the point of production up to the point where the things are mostly in demand, rice, wheat, millet, cotton and other products, and find out how, with the least burden, we can transport our articles from one place to another. After all, I do not want to touch the pocket of the railway, because it is touching my own pocket, or it would be touching from one pocket to another. I know that my Honourable friends in the Punjab have got a powerful set of lungs and so they have been able to cry and get a cheap freight for the Punjab wheat. It is the Punjab wheat that has been able to weigh the scale in favour of the Muhammadans getting two seats in the Statutory Board. (Laughter.) Unfortunately, we in Madras do not eat wheat, and probably on that account our lungs are not particularly strong, but our stomach is all the same very insistent and we are always getting hungry, and who is there to listen to our plaintive cries? Nobody, but this is the only time when I can ventilate my grievances. But, some of my Honourable friends say what is the good of discussing all these things in the Budget? But there is a Urdu proverb which says:

"Zabar dast mara rone nahin diya."

"The tyrant beats you, but does not allow you to cry."

This is my position, but my Honourable friend, the Diwan Bahadur, objects to my raising all these grievances now. But I say, this is the only time when I can put forward, in spite of the time restriction, my grievances. But my friend says, do not cry.

In conclusion, in supporting this motion, I hope that the agricultural products will have the first, will have the fairest, will have the best and will have the only chance in prescribing favourable rates and freights in order to move our products from one place to another.

Mr. N. M. Joshi (Nominated Non-official): May I ask your direction on one point, Sir? I find the practice is growing in this House that the Government do not take part in the middle of the discussion, with the result that the discussion goes on in a one-sided manner, and I feel, Mr. President, and I would like you to state your view whether it will

[Mr. N. M. Joshi.]

not be convenient for the Government to take part in the middle of the discussion and then reply after the other speakers have spoken if the Government should find the reply is necessary.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): The discussion will also be shortened.

Mr. N. M. Joshi: Yes, Sir, if the Government should take part in the middle of the discussion, it will also save the time of the House.

Raja Bahadur G. Krishnamachariar: I had brought the same point to your notice on several occasions, and I do feel that you will kindly think over the matter and give us some relief.

Mr. President (The Honourable Sir Shanmukham Chetty): It is very difficult to lay down a hard and fast rule as to when exactly the Government Member ought to intervene. If, in the course of the discussion, it appears to the Government Member that his intervention at an early stage will cut short the discussion and will throw light on matters about which Honourable Members on the Opposition side are groping in the dark, then, the Chair would strongly advise the Honourable Member of Government to intervene at an early stage. But if the Honourable Member for Government finds that there is nothing that he could contribute to shorten the discussion and that he would simply like to listen to the criticism of the various speakers and then reply to the debate, then it would be left to him to intervene at the last stage. It would all depend on the nature of the debate. The Honourable Member for Government must be the best judge and decide at what stage of the debate his intervention would be useful.

Mr. Gaya Prasad Singh: I dare say the Government Member would be willing to stand up and give the reply, but it is we who are prolonging the discussion.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, in previous years when this Budget discussion was going on, Mr. Hayman used to stand up in the middle and clear up the points.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I believe that besides the Honourable Member in charge of the subject, there are also other Official Members who can throw light on the subject under discussion, and, I think, if light is thrown on certain matters when questions are raised in the course of the discussion, it not only shortens the debate, but makes our task on this side of the House much easier.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I do not quite follow the points that have been raised by Honourable Members. I think the whole object, as I said the other day, of moving a cut motion was to ventilate grievances on the floor of this House. Now, Sir, it is impossible for me to get up before I know what those grievances are. Honourable Members of the House are entitled to a full reply in regard to such grievances as they wish to ventilate. It

has, therefore, I think, been the practice to wait until Honourable Members have made a full statement of their criticisms and then to give them as complete a reply as it is possible to give. If Honourable Members, as suggested by my friend, Mr. Gaya Prasad Singh, prefer merely to raise a general point, I am certainly prepared to answer such general point at the earliest possible opportunity.

Mr. President (The Honourable Sir Shanmukham Chetty): The intervention of the Honourable Member for Government at an early stage in certain cases to explain what Government have done may probably enable Honourable Members on the other side to realise that some of the grievances are imaginary, and they would not give vent to them.

Mr. S. O. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): But there is one difficulty. After the Government Member replies, subsequent speakers will perhaps raise new points, and so it should be made possible for more than one Government Member to speak.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sometimes our grievance may be based on incorrect or insufficient information, and if the Government Member helps us, it will very much shorten the discussion.

Mr. N. M. Joshi: Sir, my point was not only as regards the shortening of the time. My point was that in moving either a reduction or a Resolution or any other motion, we criticise Government's policy and we ask Government to lay down their policy. If Government will not state what their policy is, we shall go on making one-sided speeches. If Government intervene in the middle and state what their policy is, we shall be able to reply, otherwise not. Otherwise Government sit on like an oracle and have the last word.

The Honourable Sir Brojendra Mitter (Leader of the House): Sir, Mr. Joshi says Government should state their policy. No doubt Honourable Members opposite have a right to know what the Government policy is. But criticism is made not merely on policy, but on day to day administration. With regard to grievances arising out of day to day administration, Honourable Members form their views from their own experience and they bring facts to light. It is, thus, not merely a question of policy only, but policy *plus* administration. When these are inextricably mixed up, how can you expect the Government Member to get up in the midst of the debate? As Mr. Mitra pointed out, after the Government Member has spoken, other criticisms are made, criticisms both on policy and on administration.

Mr. N. M. Joshi: He has a right of reply.

The Honourable Sir Brojendra Mitter: I am not suggesting that Honourable Members may not bring forward new facts and new suggestions, and so on. But that will not shorten the debate by any means; that will only necessitate more than one speech from the Government side. If that is the intention of the House that, whenever a criticism is made, the Government Member should get up and answer that criticism, and when a second criticism is made, he should get up again and answer that criticism

[Sir Brojendra Mitter.]

that will not facilitate matters. Much the best course is for the Government Member to see whether criticism was being made upon insufficient material or erroneous assumptions, and so on. In such a case, the intervention of the Government Member at an early stage would undoubtedly facilitate the debate and shorten it. But you cannot lay down a hard and fast rule.

Sir Abdur Rahim: I think Government ought not to be satisfied with the last word. They have the last word, but we want that, in the midst of the debate, some light should be thrown by Government. Some official on behalf of Government ought to state what the position is with regard to the discussion which is going on. In that case we will be able to review our own position and perhaps it might shorten the discussion. At any rate, we would arrive at a much more satisfactory conclusion than if Government take up the position that they will have the last word and will not say anything more.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair does not think there should be a discussion on this point. There is a great deal of force in what Sir Abdur Rahim says, because, after all, a debate should not simply be one-sided, but there ought to be opportunities for both sides to answer criticisms levelled by each side. To bring about that result, it would probably be advisable that in as many cases as possible somebody representing Government should intervene early in the debate, so that the Opposition might know what exactly the point of view of Government is and then give their reply. In any case, the Member for Government has the last word and he has got a right of reply again.

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadian): Sir, I heartily support the motion moved by my Honourable friend, Mr. Maswood Ahmad, Secretary of the Rural Group, and so ably supported by the President of the Group, the Raja Bahadur. Eighty per cent. of the people of India earn their living directly from agriculture, and almost the whole of the rest indirectly from it. For some years past, the prices of agricultural products have gone down enormously. And to add to it, the Railway Board has handled the question of freight rate on agricultural products so unreasonably, uneconomically and so unsympathetically that food grains have not been able to move on our railways as they should. The result has been that surplus production of certain articles in some Provinces have not been able to remove the shortage in other Provinces. Foreign supplies conveyed to India at cheaper rates through steamers have captured those markets. While claiming to be commercial organisations, our railways have failed to appreciate the fundamental principle of commerce which is development and constant pressure towards seeking and taking advantage of every outlet. Sir, all goods are divided up into ten classifications to each of which a maximum rate per maund per mile is attached and also a minimum rate per maund per mile, within which the rates vary; and this classification may be modified by the application of schedules to goods, or, again, modification may take place by what are known as special station to station rates which are subject in turn to further sub-division. Over and above this, there are favoured goods and specially favoured goods as regards rates. So freight rate on goods in India has no principle and no reason. The same article has one rate for inland trade and another and lower rate, if meant for export.

Grains and pulses are placed in class I. I will deal briefly with rice and wheat only. Rice is the most important agricultural produce in India. The price of rice has gone down to one-fourth of its 1927-28 price and is now selling in my parts at ten annas a maund. This is much less than the cost price. The freight rate on rice from Rangoon to Madras is 4a. 8p. per maund, while from stations in Godavari and Kistna deltas to Madras it is 7 annas per maund; and from Tanjore and Coimbatore districts it is from 5a. 1p. to 6a. 2p. per maund. From Rangoon to Calicut, the freight is 5a. 5p. per maund, while from Kistna and Godavari to Calcutta it is, 8a. 4p. per maund. It is no wonder that Burma, Siam and Indo-China rice is dumped into the Indian market. There is also an export duty on rice of 2a. 3p. per maund even under these circumstances. I do not know the rate on rice in the Bengal Nagpur Railway which is the only railway in our parts. But, I am sure, it is prohibitive. I will quote one sentence from a Government report:

"Enquiries made from the Bengal Nagpur and M. S. M. Railways show that since the beginning of 1933 reductions in railway freights have been made and have had the effect of stimulating internal rice traffic from the producing areas both in Orissa and Madras."

I now come to wheat. For reasons unknown, probably for stimulating export in Karachi port, wheat from the Punjab is carried at a slightly reduced rate; so wheat is generally carried to Calcutta by steamer from Karachi, and this process, after paying wharfage charges at two ports, is much cheaper (three annas per maund) than the all-rail route to Calcutta. There cannot be a better illustration of the Railway Board's failure to rise equal to the occasion in times of emergency. The coal trade in India enjoys a most-favoured commodity treatment, probably because members of the ruling race are intimately connected with it. The freight rate on rice and wheat is .38 of a pie per maund per mile maximum and .100 of a pie per maund per mile minimum; but, due to the schedules and other conditions, the general rate is never much below the maximum, while coal enjoys a special tariff of its own quite outside the limits of both the classification and schedule rates. The general freight rate for coal is .05 of a pie per maund per mile. Besides this low rate of freight, coal enjoys, since 1887, many other advantages and facilities for transport. What is the relative importance of coal and food-grains? In 1927-28, the contribution from land revenue alone, paid throughout British India, was 35.41 crores of rupees. What did coal contribute during the same year? It cannot have been an important amount, as in the report submitted to Parliament a head is not assigned for it. In the same year, the value of exports of rice, wheat and barley alone amounted to 39.25 crores of rupees while the total value of coal produced during the same period was 9.02 crores of rupees only. Again, in the same period, the percentage of the population occupied in the production of raw materials was 73.15, while that employed in the exploitation of minerals was .17 only. Have not, therefore, the agricultural producers the same claim at least if not more on the sympathies of the Railway Board? Men travelling in the third class are generally concerned with the agricultural produces, while men concerned with coal trade generally travel in the first class; and the treatment of the Railway Board towards each of them is in the same proportion. I may assure my much-esteemed friend, Mr. Sen, that I do not mean that he should not enjoy the advantages given to coal; but that I should also enjoy the same advantages along with him. Raise the freight rate on coal to that of what it is on rice and wheat, and in six months coal would be lying in stacks at the pit mouths as nobody would buy it who

[Mr. Sitakanta Mahapatra.]

could possibly do without it, just as is happening to rice and wheat today. Trade is not flowing and the produce is lying about in stagnant unconnected pools, as would happen to coal under similar circumstances. But if agricultural produce is placed in the same rate as coal, I believe inland trade and even export would be stimulated to a considerable extent without bringing any loss to the Railway Administration, and at the same time greatly relieving the present distress. Agricultural produce is the best in the matter of railway transport as they pack well, the packages are uniform in size and weight; there is no danger from leakage or deterioration in transit and wagons can be loaded to their fullest capacity.

I will now deal with the question of surcharge. In 1917, the Government of India levied a surcharge on all goods traffic as a war measure only, and food grains were charged at the rate of two pies per maund and the amount collected was credited to Government direct. In 1921, a proposal was made to increase this surcharge, and so a special primage charge of $2\frac{1}{2}$ annas per rupee was levied. But, subsequently, in 1922, a new classification of rates was introduced, and rates existing before the war were increased by 15 to 25 per cent. which is now appropriated into the railway revenues and no account of what this increase yields is being kept nowadays. Is not this surcharge an indirect tax on agriculturists? By this means the agricultural producers have to pay another tax over and above the land tax. In agricultural produce, it is the producer who bears the burden and not the buyer as in other commodities, because there is great competition, both internal and foreign, and, secondly, agriculturists are not at all organised.

There is another point. By means of the railways, cannot the Federal Government at any time strangle an autonomous Province that produces surplus agricultural produce, by imposing special charges on those articles if they so like? I will ask my Muhammadan friends, who are so keen over provincial autonomy, to remember this.

I will now raise the question of the difficulties of my own unfortunate Province. I represent a constituency here which is a purely consuming one; as it has all along been tied to the tail end of some Province or other, no attention has ever been paid to our industries. The Province is composed mainly of coastal districts, and hence fish is found in abundance there. In fact, fish in large quantities is carried to the markets of Kharagpur, Jemshedpur and particularly Calcutta from all parts of Orissa, particularly from the Chilka Lake; but fresh fish is placed in class 6 of the classification of goods, thereby raising the freight to two and a half times that of class 1. Even then the Railway Authorities do not provide for any amenities for the quick transport of fish.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Mr. Sitakanta Mahapatra: There are no refrigerated godowns near the Chilka Lake, nor are there refrigerated carriages in goods trains. There are also no refrigerated godowns at Calcutta on the B. N. R. The result is that except the Chilka side, for other places, ice is brought to the localities for packing fish. A large quantity of fish is spoiled during transit. Fish trade cannot grow up due to high freight, and as no special facilities to the trade are provided to the trade by the B. N. R. While fresh meat is sold in Calcutta from America, fresh fish cannot be carried to Calcutta from a distance of 200 miles.

Cocoanut is another of our important trade. But most of our produce has got to be transported for want of a local market. The freight rate for cocoanut is .42 as it is placed in class II. The local producers are finding it very hard to compete with others due to this high freight rate, and the result is that this industry is dwindling.

Utensils in black and soft white stones are manufactured in Orissa, but as the B. N. R. Company charges a very high freight rate on them and yet no care is taken during their transit, this industry is also dying out for want of a market.

Orissa's forest-produces are very large. The B. N. Railway gives no special rate for the transport of forest produce. I could cite many such instances to show how the Railway Administration in India is not run either on commercial lines or for the good of the country.

Sir, I will here very briefly state the inequitable third class . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must resume his seat.

The Honourable Sir Joseph Bhoré: Sir, Honourable Members opposite, I think, desire to know the general principles upon which we proceed in the matter of fixing our rates for agricultural and industrial produce. On this matter, Sir, I endeavoured to give to the House as much light as I possibly could at an earlier stage. I endeavoured to make it clear that, in view of the fact that we were required to work on a commercial basis, it was really not possible for us to quote any rates which were not strictly economic rates, and I endeavoured to enunciate what, I thought, was a really important principle, namely, that assistance, if it was to be given to agriculture and to industries, should not be concealed, should not be indirect, it should not be at the expense of the railways, but that it should be definite, direct and open, so that from time to time the Legislatures and the Governments concerned could know exactly what assistance was being given to what particular industry, and could vary the principles on which they were acting and also the measure of assistance given. I may point out that, in a particular case, not so very long ago, the Government of the Punjab actually did proceed on those principles. They agreed to reimburse to the Railway Department any loss, speaking generally, that might accrue from the carriage of Punjab wheat to certain destinations at certain concessional rates. That, I submit, Sir, is the correct principle upon which to proceed. Nevertheless, I would submit to this House that, wherever it was possible for us to feel that a reduction of rates would stimulate and attract traffic, we have never been backward to introduce such rates. I hope I will be able to satisfy the House that in this matter we have paid very special attention to the case of agricultural products. Now, I shall refer to actual points which have been made by Honourable Members.

My friend, Mr. Maswood Ahmad, referred to the case of sugar. He pointed out that whereas the rate for sugar from Bombay to the United Provinces was, I think he said, Rs. 0-13-0 per maund, the rate for sugar from Cawnpore to the Central Provinces was something like Rs. two a maund. Sir, I have not been able to find any justification whatsoever for the latter statement. On the contrary, the railways have gone, as far as they possibly could, to reduce rates in order to stimulate traffic from the sugar producing centres to other parts of India, in fact I am not sure that

[Sir Joseph Bhore.]

we shall not lay ourselves open to criticism from areas other than the northern areas producing sugar for the rates which we have recently introduced. May I give to the House specific instances? In January, 1933, the East Indian Railway Administration quoted special rates for sugar from important centres in the United Provinces to Howrah. These rates meant a reduction of between 25 per cent. to 41 per cent. in the rates previously applicable. The G. I. P. Railway quoted special rates for sugar to Bombay from factories situated on the Bengal and North Western Railway, the East Indian Railway, and the Eastern Bengal Railway, and the reductions amount to something between 9 per cent. and 36 per cent. With a view to developing the long distance traffic from Bengal and North Western Railway stations, the East Indian Railway, in conjunction with the Bengal Nagpur Railway and the M. S. M. Railways, introduced in 1933 a special rate of Rs. 1-4-0 per maund *via* Mokama Ghat to Madras, and the reduction represents a decrease of something like 55 per cent. in the rates previously imposed. I do not think, Sir, that we can be charged with not having paid attention to agricultural interests.

I think my friend also referred to the carriage of cane. There, again, I can assure him that something has been done. In view of the special circumstances of Bihar, brought about by the recent disaster, both the East Indian Railway and the Bengal and North Western Railway have agreed to carry at considerably reduced rates cane to the various factories serving the agricultural areas in Bihar producing cane. (Applause.)

My friend, Sirdar Harbans Singh Brar, yesterday made the suggestion that if it was possible for us to carry coal at the rates at which we were carrying it, it ought also to be possible for us to carry agricultural produce at the same rate. Obviously, Sir, the argument is untenable. May I point out that the value of a ton of coal is something like Rs. 3, and the value of a ton of wheat is something like Rs. 50. Surely, it would be impossible for us to impose on coal the same rate that we charge for wheat, and if we reduced the rates for the carriage of wheat to those charged for coal, well, Sir, we are bound for disaster. I would point out one thing to Honourable Members, and that is this, we have constantly to place in the balance the claims of commodities to low rates on the one hand, and the claims of third class passenger traffic on the other to low fares. It is possible in a country like the United State of America to put down the rates for the carriage of commodities, because they are able to charge comparatively high rates for passenger traffic. We, on the other hand, cannot possibly raise our rates for third class passenger traffic beyond a certain limit. I hope Honourable Members will bear this limiting factor always in mind, namely, that we cannot both put down the rates for commodities and at the same time keep low—and we always wish to do so—the rates for third class passengers, without our railways working at a loss. Ultimately, the loss falls on the tax-payer and the country is no better off. I would point out, with special reference to what my friend, the Raja Bahadur, said that even in the case of rice we do what we possibly can. He pointed out that the carriage of rice from Rangoon to Madras costs less than the carriage of rice from Madras to certain stations, I think, up to a limit of 200 miles. Well, it is a well-known fact that freight rates by sea are in all cases infinitely lower than it is possible for railways to charge. I cannot follow him into the exact details of the particular case that he quoted, but I shall be happy to go into the matter further with him if he desires to do so. At the same time, I would point out that,

seeing the conditions of the agriculturist in the Madras Presidency, we have within recent months reduced the rates for the carriage of rice. The rates from stations in the Tanjore district to Colombo were reduced in April last by approximately 16 per cent. and for local bookings on the South Indian Railway for distances of 166 to 400 miles from the 20th June, 1933, by from seven per cent. to 24 per cent. I can quote other similar reductions, but I hope the House will take it from me that we have not folded our hands and said, "it is impossible for us to do anything, because any lower rates would be uneconomical". I do not know that I can at this stage usefully say anything very much more.

There is one point my Honourable friend, Mr. Maswood Ahmad, raised and that was in regard to rail-borne statistics. May, I say, I am in entire agreement with him on that matter? I consider it was a very great mistake indeed for Government to have stopped the collection of those statistics (Hear, hear), and I may say that we shall shortly be in a position to supply information on matters pertaining to rail-borne statistics. (Applause.) Then my Honourable friend, Mr. Maswood Ahmad, made what I may characterise as a thoroughly unfounded charge when he said that the rates for cotton to the ports were low, deliberately low, in order to help Lancashire. I am sure, no one in this House would support a suggestion like that.

That, Sir, covers most of the points that have been made so far. I think what I have said will enable Honourable Members to realise that in the matter of agricultural rates we have very definitely, as far as we possibly could, put down our rates, but that we cannot put them down to a point at which we shall be faced with loss on the working of our railways.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): May I know what is the reduced rate for sugarcane at present?

The Honourable Sir Joseph Bhore: I cannot tell my Honourable friend the reduced rates in force, but I shall be happy to get them from the Administrations and to communicate them to my Honourable friend. The whole idea was that in view of the fact that certain factories had been damaged in the Bihar area by the earthquake, the ryot should not suffer by reason of that fact. The idea underlying this reduction was that sugarcane might be more easily carried to the nearest working factory to enable the ryot to sell his cane.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Mr. President, I am thankful that the Honourable Member for Commerce and Railways intervened at this early stage of the debate and has cleared up some of the points, and, if I still venture to support the motion, it is because I feel that other aspects of the question have not yet been considered by the Government, and some of those aspects I should like to place before this House.

Sir, I hold in my hand a copy of the proceedings of the Imperial Legislative Council of 1912, and if you read the speech of Sir Vithaldas Dabkarsey, who then introduced a Resolution concerning this very question of reasonable rates for goods traffic, you will find how close an approximation there is between the arguments and the statements that were then made and the arguments and statements that have been made in the course of the debate today. Turning to one aspect of the question,

[Diwan Bahadur A. Ramaswami Mudaliar.]

the speech of my Honourable friend, Raja Bahadur Krishnamachariar, when he suggested that the G.I.P. Railway specifically enhanced the rates from Manmad to Bombay, so as to cut out the competition of the Hyderabad State Railway, I may recall to this House the observations of the late Sir Vithaldas Thackersey:

"Inter-provincial trade also suffers owing to the so-called block rates quoted by practically all railways in order to draw all available traffic to their own line and to prevent as far as possible traffic from their own stations to go on other Companies' lines. This again from the Railway Company's point of view is perfectly justifiable, as no Company can be expected to tolerate the transfer of its own traffic to other lines if it can possibly prevent it. But from the country's point of view, it is clearly not advantageous that merchants should be compelled to send their goods not by the route which gives them readiest access to the best market—whether it be Calcutta, Bombay, Karachi or Madras—but by a route which brings the most profit to the Railway which happens to pass through the particular places. And again, why should the people of such places be hard hit because their geographical position may happen to be between two competing lines? These hardships are unavoidable in countries where railways are owned by private Companies, but why should they be tolerated in India where the railways belong to the State? I think a scheme ought to be devised under which the interests of the people may not suffer in the competition between rival Companies."

That brings me to the question which I want to put to the Honourable the Commerce Member. The Honourable Member in his observations spoke as if there was no differentiation whatsoever with reference to the fixation of these rates—actual rates, not maxima and minima whether the railways are State-owned or State-managed or are Company-managed. I should like to know if this is an accurate state of affairs. What control have the Government got over the fixation of the actual rates for station to station or long-distance or short-distance traffic with reference to Company railways? I remember, when the Acworth Committee was sitting, the Government made out a case that under various contracts, they had entered into with these Companies, they had no power to fix the actual rates and that their power was exhausted by fixing the maxima and the minima rates. They relied on the following clause which appears in many of the contracts of these Company-managed railways:

"The Secretary of State shall, from time to time, authorise the maximum and the minimum rates within which the Company shall be entitled to charge the public for services rendered by way of, or in connection with, the conveyance of passengers and goods or undertakings and shall prescribe the several classes and descriptions of passengers and goods to which such rates shall be respectively applicable."

The Acworth Committee drew attention, however, to the fact that in the contracts made with these private Companies, there was a further clause to which reference had not been made by the Government which submitted its memorandum on the subject to that Committee. The words were:

"As well as the extent to which within the maximum and minimum so authorised the company may vary the said rates in respect of distances from where or the special conditions under which such conveyance takes place or services are rendered."

It is my recollection that the Acworth Committee said that while the Government were of opinion, on the basis of the advice taken from their local officers, that actual rates could be prescribed to the Company-managed railways, the Acworth Committee had taken similar opinion from English lawyers on the subject and they said that the Government had the right to do so. I want to know what is the position with reference to this. If my recollection serves me aright also, they said that, in any case, legislation could be made for the purpose and that, by legislation,

Government may direct the fixation of the actual rates, or what may be termed as standard rates, and not merely content themselves with maxima and minima rates in Company-managed railways. We know that this is a very important subject, and I want to know from the Honourable the Commerce Member whether there is any distinction in practice between the complete authority which, I admit, he has over State-owned and State-managed railways where the entire basis of traffic rates is in the hands of the Commerce Member and the Railway Board, and the Company-managed railways like those which exist in South India, for instance, the M. and S.M. Railway or the S.I.Ry., over this question of the fixation of the actual traffic rates. We are aware that the fixation of maxima and minima rates is of no avail whatsoever. My Honourable friend, Dr. Ziauddin, said in the course of the London Committee proceedings that the maxima and minima are fixed with such wide divergence between them that a coach and four can easily go through them, that they are of no benefit whatsoever, that they do not approximate anywhere to the actual rates, whether you take either the one extreme or the other, and he went on to make the suggestion in the course of the proceedings that these maxima and minima should be very much narrower to each other, so that the margin of discretion and the latitude which should be given to the Railway Board may be, as small as possible. But the suggestion of the Acworth Committee was not merely that. It said that it should take power for fixing the standard rates, the actual rates in some cases at any rate, and that by legislation or by some other means this may be undertaken. They argued on the basis of the English Statute of 1894 which was amended by the Statute of 1921 which gives this actual power so far as the English Company-owned private railways are concerned. The Government have got the power, for remember that these are public utility concerns and are run under specific limitations and restrictions. They cannot claim to have that latitude and that discretion which a private trading firm has got. They have got certain responsibilities, they have got certain rights Statutorily given to them, and, therefore, it is unreasonable to expect that they should not come in within the restrictions that, in the interests of the public, the Government of the day would like to impose. In America also, as those who have studied the question know, under the Act of 1920, I think, an Inter-State Commerce Commission has been appointed and that Commerce Commission has got the right to fix these rates. In the United States, among the enactments, there is one that coincides with a similar enactment in the French Intermediate Stations Clause, by which the railway company is forbidden to charge more for a short journey than for a long one if the first is included in the second and the transportation is effected under similar circumstances.

Let me come to one chief grievance with regard to the traffic rate. Several instances were quoted by Sir Vithaldas Thackersey, and instances were also quoted by many of my Honourable friends. The real gravamen of the grievance is this. If for a long distance you charge a particular rate, it sometimes happens that for a shorter distance in the same line you charge a higher rate. The reason for this is supposed to be that the railway, by some mystical process, calculates the cost and fixes these rates. The economics of transportation according to the railway system is a very peculiar economics. They work out on several bases. If goods is to be carried from one station to another, they take into consideration, first of all, the cost of maintaining the permanent way, stations, and

[Diwan Bahadur A. Ramaswami Mudaliar.]

station staff which is a fixed factor, supervision and general charges which is also a constant factor, the cost of repairs to rolling stock, which is the same whether it is long distance or short distance traffic, running expenses are a fixed figure for an hour or for a day, and the principle on which the whole thing is worked out is that the more a wagon earns per day the better it is for the railway company. You may take an example. Suppose rice is sent from Madras to Calicut, or, better still, some produce is sent from Delhi to Calicut. The journey takes about seven to ten days. The mileage is there, about 1,500 miles, let us take it: What they do is this. They calculate the rate per mile, arrive at the figure and then see how many days the wagon takes to go to Calicut, the days which are taken in unloading the goods, the days which are taken to return, and possibly the days taken in empty haulage of that truck. It is obvious if the same principle is adopted with reference to the haulage of goods, say, over 50 miles, the time taken in unloading and loading, two days, makes all the difference and gives enormous weightage to the costing account, so that the haulage for the shorter distance *pro-rata* becomes very much more than the haulage for the longer distance. That, I understand, is the reason why the anomaly exists in many of these cases, that the haulage for very much longer distances is really less than the haulage for smaller distances. In all these matters, there is one thing to be taken into consideration, the capacity to bear the rate by the trader. It must at least be as important a consideration as the fact whether the railway is able to earn or not, and may I also point out a fallacy in all these calculations, which generally applies to all these so-called Government commercial concerns. We had the same difficulty, for instance, when we examined the question of costing accounts with reference to the army factories which manufacture various lethal weapons and other things. For every order that you take, you add at the top of the costing account of that order overhead charges as you call it, little remembering that overhead charges is constant whether the additional order goes into the factory or not. Take the question of these commodities. I said, one consideration at least, that should be borne in mind, is the capacity of the trader to bear the rate. You add to the charge that must be levied on the goods traffic the cost of keeping the permanent way, and the permanent way establishment which is there, whether 10,000 more tons is conveyed or not, the cost of inspection staff, and so on, these things are constant, and yet you add all that, so that it becomes impossible for the trader to send his goods from place to place.

My Honourable friend suggested that, in the case of paddy, in Madras, there has been a reduction of about 16 per cent. on the S.I.Ry. and 7 to 24 per cent. elsewhere. But my Honourable friend knows, none better, at any rate the fact has been dinned into him day after day for the last three months that the price of commodities has fallen by 50 to 60 per cent. My Honourable friend gave a very good illustration. He said a ton of coal costs Rs. 3 and a ton of wheat costs Rs. 50. Can you levy the same charge on a ton of coal for transportation as you can on a ton of wheat? I agree, and, therefore, I want my Honourable friend to extend the logic of it to a commodity whose price has fallen very low, abnormally low during the past years, and ask him whether he cannot, with benefit to the trade and the railways, reduce these charges. I agree with him that we do not want any sort of concealed protection under the freight rates. I do not want concealed protection for paddy traffic, through

the freight rates, but I say you have not worked out on the basis whether the trader can bear this rate and whether it is not ultimately profitable to the railways even at a very much more reduced rate to remove the large quantity of paddy which is held in the deltaic tracts of Northern Circars, for instance, to more profitable areas. There has been complaint also that port to port rates differ, and that those rates are much more advantageous than the rates from station to station. It is very difficult, owing to the complicated nature of these things, to arrive at accurate statistics, but I should like to emphasise one point which has been brought out by my young friend Mr. Mahapatra regarding the classification of goods. Originally, before 1921-22, goods were classified into five classes. Now, at present these goods are classified into 10 classes. You will find eight of these classes are merely the result of splitting up of the first four classes of the original classification of five classes, and that the ninth or tenth are extraordinary classes of goods. Now, that classification is not a sufficient classification. I have already said that your minimum and maximum are so wide that it does no good at all, and following the precedents of America and England, we should really have a standard rate, rather than a minimum and maximum rate. I say further that you should have a classification of a greater detail. In England, the classification goes to 21 lists. Here you have got only ten lists and, that also, after a good deal of agitation on the subject. Your classification is not sufficiently detailed. It does not apply to all classes of goods. It does not take into consideration the characteristics of the goods, and, therefore, that classification works hardship also on the person who has to send these goods. In England, for instance, the Ministry of Transport in the year 1920 appointed a Committee to consider this very question, and one of the recommendations of that Committee was that for the future the principle of fixing maximum scales and allowing the railway company to fix actual rates within those maximum scales should be abandoned and the actual standard rates and tolls should be fixed by an independent tribunal. Another important recommendation—they made about 15 recommendations—was that the classification should be divided into a greater number of classes than now exist. Sir William Acworth, one of the greatest authorities on railway finance and railway matters generally, in his very interesting book on the "Elements of Railway Economics", says that the railway classification of goods is the foundation on which the edifice of railway rates is built up. I want to know whether this classification cannot be revised and whether, with greater detail and more attention to the nature of the goods carried, this new classification cannot be brought into existence. I venture to submit that the old classification of 1922 is very much out of date today, that goods traffic has increased, the classes of goods that are conveyed have increased. The nature of the requisites for the traders is increasing. Therefore, the time has come for the revision of the classification.

I want to refer lastly to one question. Is the Honourable Member satisfied that without legislation by this House he can carry on all these reforms that I have been suggesting? The Railway Act has been there for 35 years nearly and has not yet been amended. All sorts of legislation are coming up before this House. Does my Honourable friend believe that, with reference to these many questions which are so often agitated, he can carry on with a Railway Rates Advisory Committee about whose work I do not wish to say much, but whose attention to these subjects has not been sufficient. The Railway Rates Advisory Committee I

[Diwan Bahadur A. Ramaswami Mudaliar.]

really appointed by executive order and the questions that are referred to it are complaints of undue preference under section 42 of the Indian Railways Act and complaints that rates are unreasonable in themselves. I would like to know from the Honourable the Commerce Member in how many cases the Railway Rates Advisory Committee has taken up this question of complaint that the rates are unreasonable in themselves. Undue preference one can understand. Merchants come forward because one class of merchants are favoured more than another and the Railway Rates Advisory Committee has dealt with these questions, but unreasonable rates is the subject that this motion has prominently brought before the attention of this House. With reference to the unreasonable rates, I ask whether the Railway Rates Advisory Committee has in a single instance decided upon the point. My Honourable friend may say that those, who are interested in it, the large bulk of the people have not come forward with a complaint before the Government which can be referred to the Railway Rates Advisory Committee, but he realises easily the difficulty of a complaint being made and my Honourable friend, if he wants complaints, must take the statements, made by Honourable Members on the floor of the House, as complaints sufficient for him. How can you get a representative body of traders in paddy, for instance, going up to the Government with a petition or a representative body of traders in fish of my friend's province going up to the Government and putting in a petition that the rates are in themselves unreasonable, not that it is a kind of undue preference. How do the Government expect that these petitions will be coming from these representative bodies? We are the representative persons who bring before you cases of this kind and we suggest that these rates are unreasonable, and I trust that Government will take action on them.

Finally, as I said, I think legislation on these subjects is overdue, and I should be glad to have the views of my Honourable friend, the Commerce Member, whether he thinks that by mere executive action, by a sort of suppressing one interest and elevating another interest through railway companies, over which the Government, at least so far as Company-owned lines are concerned, have not got sufficient control, the position can be kept up very much longer. Sir, I support this motion.

Mr. B. Das (Orissa Division: Non-Muhammadan): As one who has tinkered with the rates policy of the almighty Railway Board during the last few years, the Railway Board which is going to be a Statutory Railway Authority, as my London friends have designed it to be, I listened very attentively to the speech of my Honourable friend, the Railway Member, and I felt that the sum and substance of that speech was: "We have no rates policy. If we have a rates policy, it is as much as the traffic can bear." We have no rates policy that will save the industries and the agricultural produce of the country and also add to the prosperity of the country. My Honourable friend, the Railway Member, has not consulted his dual soul—the Commerce Member. If he does so, he would have found in the archives of the Commerce Department various carefully worked out schemes from the industrial bodies, from the various Chambers of Commerce, showing how the tariff policy of the Railway Department is working adversely against the commercial and industrial development of the country. My friend, Mr. Maswood Ahmad, might have made a slip. My friend made a slip to the extent that the railway rates policy is

designed to help Lancashire and what my friend, Mr. Maswood Ahmad, wanted to convey was that the policy of the bureaucrats of the Railway Board for the last 30 years had been to help European commerce. The rates have been so designed that it allows raw produce to go at a cheap rate for export outside, and it also helps imported produce to go over the country. Government have never had any time to think about it. Government were afraid of the Railway Board before 1924, and, after 1924, when the Railway Finance separation convention took place, the mighty bureaucrat, who sat as the Chief Commissioner of the Railways for the time, simply terrorised the Railway Member of the Government and the poor Railway Member, although he at times saw eye to eye with the complaints on this side of the House, could not proceed further. My Honourable friend, Mr. P. R. Rau, had been very often in the Public Accounts Committee, tried to help us to see through the difficulties, and, in 1932, before, Sir, you were placed in that exalted Chair, when my Honourable friend, Mr. Ranga Iyer, raised the bogey, the issue of the Statutory Railway Authority, in speaking on that you said that the railways had two vital issues before them—one about their future administration and the other was about their rates policy. I will just quote a few lines:

"Take, again, the question of rates which probably is the most fundamental question in railway management.....If I am to ask my Honourable friend the Commerce Member to state what is their rates policy, he will come out with that specious phrase, 'Our rates policy is what the traffic will bear'. But, Sir, that will leave you no wiser than when you raised the question."

Then, I will just quote another passage towards the end:

"But if the future rates policy of India is to be handed over to an impartial rates tribunal, are they to launch upon an entirely new rates policy or are they to work within the maxima and minima rates on which the Indian railway policy is based—that would be an important question. It would be easy to constitute the rates tribunal, but it will be a very difficult matter to say what exactly its functions should be. These, Sir, are all matters on which it would be foolish to venture giving haphazard and off-hand opinions, but I hope that in what I have stated I have made my position clear that the question is of such tremendous importance that a very detailed examination of the whole problem ought to be made by an independent Committee or Commission."

Sir, I wish to draw the attention of my Honourable friend, the Railway Member, to this, because he was not present in 1932. I want to know what the Railway Member, the Chief Commissioner and the Financial Commissioner have done. Mr. P. R. Rau was a member of the Railway Retrenchment Advisory Committee, of which you, Sir, were the President. Have they brought this to the notice of the present Railway Member that this was the demand from the President of the Railway Retrenchment Committee that there should be a Committee to go into the question of the rates and the tariff?

My Honourable friend, Mr. Mudaliar, thought that we had already got a Railway Tribunal. Sir, we have got some sham show somewhere in Delhi which is a peripatetic show of the Railway Board for six months in the year and is styled as the Rates Advisory Committee. It is a show to which the merchants must come with advocates, lawyers and barristers to prove their cases and the Railway Agents thereby also become more extravagant. They spend lakhs of rupees in conducting these cases, and at last very little relief comes to the merchants. My Honourable friend, Sir Darcy Lindsay, pointed out yesterday that the railways were tottering and

[Mr. B. Das.]

living on skimmed milk only, and they wanted to have the cream from the motor transport. The Railway Administrations know that they are having shortly a Statutory Railway Authority. They know that the military policy of the Government of India and of the British Government will back them up to put any high tariff on passenger and goods traffic. My Honourable friend, the Railway Member, might have succeeded in reducing a little the passenger tariff in the North Western Railway, because it was found to be a necessity. Why not the Railway Board should take a lesson from these things? My Honourable friend mentioned in his speech that the passenger traffic has gone down, but the goods traffic has gone up during 1933-34. Has it really gone up? If you refer, Sir, to the report compiled by Dr. Meek in one of the dark rooms of the Secretariat, you will find that the total exports and imports of India amount to somewhere about 250 crores now instead of Rs. 500 crores as they were three or four years ago. If that is the situation, the Railway Board, without any scientific mind—and it is getting now more and more bureaucratic with the idea of having that exalted Statutory Railway Authority—dare not ignore public and scientific criticism from this House. Will my Honourable friend direct the Railway Board to have some fresh blood or to have the advice of an independent Committee which will set down the proper scale of tariff, whether goods or passenger, that will be applicable in India?

Sir, I am grateful to my friend, Mr. Maswood Ahmad, for having raised this question. This is the most vital question on which depends the future economic prosperity of India. My friend, Mr. Mody, if he tells the woes of his Bombay mills and also of his own industrial fraternity of Bombay, will be able to show how Indian produce cannot go to the interior, because the railway freights are so high. Very often my friend, Mr. Neogy, has brought out the example of Sholapur cotton textiles which are paying higher freight than other places. Sir, the Government have no rates policy. The best policy of the Government was to help British commerce and European commerce, and I stand by what I say. I challenge Government to show if they have changed that policy which they started from 1904 for which the railways were built in India, namely, to help the foreign commerce and to help the military policy of the British Government. Therefore, I would ask the Honourable the Commerce Member to pay respect to the advice which you gave, Sir, as the Deputy President and as a prominent Member of the Opposition. Not only that, Sir, but we attach great importance to the advice which you gave as the President of the Railway Retrenchment Committee. Sir, for the advice which you and your colleagues gave we have swallowed many a bitter pill from the Railway Board. The Committee that was to come in winter never came and it ended in the visit of a Mr. Pope. Mr. Pope's advice is that no further retrenchment can be made. We do not call it retrenchment if a few lakhs were saved here and there. Some of us are not as wise or as statesmanlike as you have been and you gave the very modest advice to the Government. Let the Railway Board appoint a Committee to devise the most scientific rates system possible. I would like to know what my Honourable friend, Sir Joseph Bhore, has got to say as to why they did not accept that advice. Who was it who stood in its way? Was it the mighty Railway Chief Commissioner or the mighty Financial Commissioner? If the Financial Commissioner studies the railway finances aright, he will find that the railways are facing a grave disaster. No amount of Statutory powers that the Statutory Railway Authority can

give and no amount of combination and co-ordination of road transport with the railway system will bring them the success unless they revise their rates policy. They should base it on a scientific principle and introduce the passenger and goods rates in a humane way which will be applicable in the best interest of the people of the country.

Mr. G. Morgan (Bengal: European): Have free tickets.

Mr. B. Das: It is now free tickets as some of my Honourable friends pointed out yesterday. While there is concession during Christmas, there is no concession during the holidays that belong to the Hindus and the Muslims. They have to study the geography of India, they have to study the Indian mentality and devise their new rates policy, so as to suit the Indian conditions. Otherwise the military and the bayonet and even the inspired help of my Honourable friends of the European Group at the eleventh hour would not save the railways. They are bound to be closed down five years hence.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I do not share the pessimism of my Honourable friend, Mr. Das, that the railways will close down in five years and that the military bayonets and things of that kind will have to go to their rescue. (A Voice: "A very silly thing.") That, I consider, "is a very silly thing" as my Honourable friend, Colonel Gidney, truly says for even a responsible member of the Democratic Party to say. But I must say, in fairness to my Honourable friend, Mr. Das, that he was only trying to heighten the colours and to draw the attention of the Government, because he imagined that, by so doing, he would be flogging them into activity. However, there was one good thing in what Mr. Das said. I do not know where he got his quotation from. I was not able to follow it carefully.

Mr. B. Das: The quotation is from the debates of 1932.

Mr. O. S. Ranga Iyer: Quotation from what?

Mr. B. Das: This is a quotation from the speech of Mr. R. K. Shanmukham Chetty on the 3rd March, 1932, when the Railway Budget was under discussion on your own motion regarding the Statutory Railway Authority.

Mr. O. S. Ranga Iyer: I was not aware of that. I thought he was quoting from his own speech and had developed such an extraordinary sense.

Mr. B. Das: Myself and the President think alike.

Mr. O. S. Ranga Iyer: Great minds think alike. (Laughter.)

Now, Sir, there is, I believe, a necessity for a Rates Committee. But I do not say like Mr. Das that the Committee has to enquire into the rates and find out a scientific rates policy. No enquiry, in my opinion, is needed.

[Mr. C. S. Ranga Iyer.]

We have competent men who can constitute a Rates Committee and this Committee must immediately take up the grievances which both the agriculturists and the industrialists are suffering from.

Mr. N. M. Joshi: What about third class passengers?

Mr. C. S. Ranga Iyer: I will come to that. Probably, if you extend the scope of this Committee, the grievances of third class passengers and the rates regarding the passenger traffic can also be taken into consideration. But as the present debate is confined purely to agricultural and industrial products, I did not want to digress into the very long standing case of third class passengers. Taking the industrial grievances into consideration, I can say that there are numerous small industries in the country which feel that the foreign rivals, for instance, the Japanese rivals, in certain cases are able to penetrate far into the interior, whereas, owing to the very heavy railway freights, our people are not able to penetrate a fairly long distance to compete with these unequal competitors, competitors on unequal terms, because, in the first place, the sea-freight is so low that the foreign competitor is able to bring his products to the country at a very nominal rate. After that he is prepared to compete with the indigenous industrialist on the same existing rates, he is not afraid of that, because he is subsidised by his own Government or his industrial products are brought into existence by cheaper labour under circumstances which are very very cheap indeed as compared to the circumstance that exists in this country.

Sir, I do not want at this late hour to read quotations as to how under colonial Governments, the industrialists and the agricultural people get very much assistance from the railway people. I know that the Government are very prejudiced in this country against the lowering of the rates and the freights, because, they are taking shelter under the excuse that the railways have to be run on commercial lines. But I say it is a very flimsy excuse (Hear, hear) for the very simple reason,—if they have the time, they can find it out themselves. There are the Railway Board Members who are all overworked. I know that there is a Member of the Railway Board with an assistant who goes into the question of rates and freights, but the Railway Board in this matter has thoroughly failed to help the indigenous industrialist and the crying agriculturist (Hear, hear), and, as they have failed and as my Honourable friend, Diwan Bahadur Mudaliar, has clearly showed in his speech, how the rates tribunal sits too high to be reached by the aggrieved people, as they have failed, the Government cannot shilly-shally and say "we cannot give you a Rates Committee". I submit, we want a Rates Committee under the Statutory Railway Board scheme so much maligned, working almost like a wind-mill in the brain of my friend, Mr. Das, when he referred to it. We have got under it a Railway Executive, we have also got a Railway Authority, but it is time that we also have a Railway Rates Committee. Whether you wait so long or immediately bring it into existence, this matter has to be taken up by the Government. I think the Honourable Member in charge of this in the Railway Board or one who can speak for him will have to satisfy this House as to how they propose to meet the industrial difficulties in the country, the agricultural difficulties in the country, and whether they propose immediately to handle this matter or, as they have been

doing, sit on the fence. I know that the Honourable the Commerce Member in his speech has referred to the question of rice, wheat, and so on. He has also referred to the coal traffic, but his references, though very helpful so far as indicating how the Government have met the needs, yet are most unhelpful so far as mitigating the actual difficulties goes of the agriculturists and the industrialists in these times of terrible depression. He is resorting to a policy which strikes my Honourable friend, Mr. Ghuznavi, as the operation of tariff *in terrorem* and while we are absolutely in a very satisfied mood, so far as that particular tariff policy is concerned, as the Government have adopted a policy of discriminating protection, the time has come when they should also follow a corresponding policy of discriminating, what I may call, Railway rates and freights, to help the indigenous industries. This can be easily done and the Rates Committee can do a thing like this, it can send for the industrial people concerned who have grievances and it can ask them "What is the amount of your produce? How much can be put for transport and to what distance if we give this much of facility. If under this shelter you can take your larger quantities of industrial products further, then economically we will not suffer." Therefore, the commercial running of the railway scheme cannot be defeated if, in a really scientific way, they go into the industrial production. I, therefore, submit, there is enough work for a Committee in this matter. They can help the industrialists as well as the railways concerned. While increasing the railway wealth, while increasing the railway earnings, they can also help the development of the industrial wealth of this country. For, as the Honourable the Commerce Member in his very lucid speech said, there is a connection, a good connection between the trade of the country and the railways of the country. We want them now to come forward and establish a golden connection of freights by a reduction of freights wherever necessary, to broadcast the industrial products so that the industrial wealth of the land may increase, so that the pessimistic prophecy of my Honourable friend, Mr. Das, and the Cassandra-like observation of the Press in the country that we are up against a terrible brick wall of calamity, will not come to be true, much less undermine the faith of the people. The people's faith, there is no getting away from the fact, is being undermined. They feel and they genuinely feel that the Government are not assisting them in regard to the promotion of their industries as the Governments of the colonies have assisted and as the Governments of other countries have done. I can speak for hours and give quotation after quotation how, in every self-governing industrial country in the world, the industrial wealth and the industrial productive capacity is increased by the railways co-operating with the industries of the country. And in an agricultural country like this it is absolutely inevitable that in a time of depression the agriculturist should exercise his right to come and ask you for some concession and much more concession. The Government, as the Commerce Member himself said, are overworked. He himself admitted that he is overworked. He has to deal with this railway question and he has to deal with the commercial question; and, as he is self-confessedly overworked, I will advise and I will insist that he should bring into existence a Rates Committee or they should add a man to their Department in the Railway Board, so that the man in charge of the rates and freights will go into this question and remove the grievances of the people.

Sir, this is not a question in which we are indulging in exaggerations. I P. M. In this time of depression the agricultural people feel that Government have not stood by them. The industrial people feel that

[Mr. C. S. Ranga Iyer.]

Government have not sufficiently stood by them, so far as rates and freights are concerned. Though I cannot exaggerate this matter, Government have certainly tried to help them by bringing in a tariff wall and by heightening it wherever necessary. But if they want to reap the fullest results in these matters, the proper thing for them is to reduce the freights and to go into the thing, overworked as they are, with the assistance of a Committee of experts or non-officials or both; but the Committee must immediately come into existence and tackle this matter. It is not a question for postponing by a week or a fortnight even.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, one question may well be brought to the notice of the House even at this late hour of the day. Our chief grievance, as pointed out, has been that neither industries nor agriculture has received that favourable treatment from the railways which they are entitled to expect. I may say, Sir, that my Honourable friend opposite, the Railway Member, is in the position of a benevolent autocrat, and various countries have tried hard to raise loans, etc., to place the railway machinery in the hands of the Government in order that they may be able to manipulate these rates and freights to promote industry and help agriculture. A prominent case of that kind happened in Germany soon after the war of 1870 and Bismarck utilised the whole resources of the State to acquire the railways in order that he might be able to help industries.

Now, Sir, whatever may have been the policy of the railways during the first 40 or 50 years, whether they promoted imports from overseas or promoted exports from this country of agricultural produce outside, I am compelled to say that the policy of the railways, during the last 20 years or so, even when protection has been the guiding policy in the matter of tariffs, has been,—one might almost say,—one of drift and opportunism. Whenever an intensive cry is made from any industry or any quarter, that question is taken up under the stress of the moment. Palliatives are applied and the whole of this business is done, not as a matter of considered and consistent policy, but just to get over the trouble for the time being. As a justification for that remark of mine, I may mention a case which has been prominently mentioned, the case of the Punjab wheat. I shall come to the grievance of the Raja Bahadur, but I just wish to examine the question of relief in freight to the Punjab wheat. The Honourable Member in charge of Railways was pleased to tell us that our object was to give relief openly and not secretly and the relief which was given to the Punjab agriculturist for getting rid of his wheat was when the Punjab Government gave the railways compensation for the relief in rates. Now, Sir, the railways cannot claim much credit for that. If it is the Punjab Government that pays the railways, what are the railways for? It is a step-motherly treatment. The railways say they have charged a certain rate, and it does not matter whether the agriculturist pays or the Punjab Government pays. Now, Sir, if the railways had taken up that national policy, which we are entitled to expect of them,—because the mere earning of dividend is not the sole concern of the railways although crores of rupees of capital have been invested,—the real policy for the railways should have been, as it would have been if the railways had been the concern of the Punjab Government, to see that the agriculturist does get relief in the matter of disposing of his produce. And my learned friend, the Raja Bahadur, was pleased to tell us that the Punjab wheat leads to a strong

power of lungs. I may point out to him,—it is a great compliment,—that what I would like to see is that to the nimble brain of the Madrassis, with due respect to all who are interested in Madras, it is necessary to add the power of strong lungs. If that is so, the railways should have carried on a campaign in Madras of "Eat More Wheat" and should have lowered the freight to a few annas indeed, so that all the Punjab wheat would have travelled to Madras. My Honourable friend over there knows a good deal of Madras, and the Railway Board is certainly not without experience of Madras. If they had done it at that time, reduced the freight on wheat and carried on a campaign in Madras of "Eat More Wheat" and the Raja Bahadur had been able to claim a stronger power of lungs than he says he has, although I do not believe it,—if the railway had done a thing of that kind, then I could understand that the railway had a wheat policy. But as things stand at present, it has neither a policy nor anything which can be designated by that name. It is only a matter of drift for the time being.

Now, Sir, the real trouble which I can visualise in a matter of this kind is that we have passed through just three or four years of depression. The problem before the railways was not to make two ends meet. That is a small problem indeed, because these railways are a national asset on which huge capital of the nation has been sunk. They are an instrument for ameliorating the lot of the people, to help the industries and help agriculture at a particular period; and one wishes that a very bold experiment in the line was tried by the railways. They congratulate themselves and we may also congratulate them that they have passed the worst period of depression, but what is the constructive policy to their credit? Here also there are various categories of goods, six or eight of them, in which you can find very strange combinations put forward. The Honourable Member for Railways was pleased to tell us that it is impossible to put the same freight on coal as you put on wheat, because wheat is something like Rs. 50 a ton and coal is about Rs. 3 a ton. Now, Sir, various examples come to mind, but one will find from this pamphlet which I have here that chemicals are placed in the same category as food grains. Bicarbonate of soda, circus instruments and survey instruments are all placed there. These things are of a very large value and no regard is paid in fixing the rate to the question of value. One can almost say that these various categories into which tariff has been divided were fixed long ago and no scientific attempt has been made to classify them either on the basis of value or on the basis of what, I think, is far more important, national interest. If that is so, it appears to be a queer proposition to be defending them on the score of value.

Now, Sir, I was very much interested to know from the Honourable Member that in the case of sugar they have made some attempt to reduce fares on the East Indian and the G. I. P. Railways. But that is merely part of the problem, because we find that, so far as sugar alone is concerned, its output in the country during this year and the next is likely to exceed even the demand in all North India. They have taken no bold policy that the rates to the ports and specially the South Indian ports will be such that the sugar produced in this country should be able to compete with the sugar from abroad. In fact, these are some of the problems which the Railway Rates Tribunal, if one were constituted, would have to look into. At the present moment one can say that all that we have is a tinkering with the problem and that a bold and scientific attitude

[Mr. Jagan Nath Aggarwal.]

should be adopted towards these questions of rates which will tend to help agriculture as well as to lead to industrial improvement in all parts of the country.

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 Sir Shaumukham Chetty) in the Chair.

Mr. S. C. Mitra: Sir, Mr. Maswood Ahmad has raised a very important and intricate issue about rates by the present motion. By a slight manipulation of these rates, trade and industry can be made or marred; and our complaint on this side is that no scientific investigation, as my friend, Mr. Das, put it, regulates these railway rates under the present system. We find that different rates prevail on different railways. That is anomalous, because though there are still a few private-owned railways, they are all under the Railway Board, and yet, to our surprise, we find that for the same commodity, the maxima and the minima rates on the same article vary in different systems of railways. I shall confine myself now to a few industries that concern Bengal.

First, I would like to take up the question of the rates about mustard seed and mustard oil. It was brought to the notice of the Members from Bengal that formerly large quantities of mustard seed were taken to Bengal and a large number of machines were started for manufacturing mustard oil. But due to a manipulation of rates on mustard oil and mustard seed, ruin has now been brought on the once prosperous oil industry in Bengal. I understand that the case has been represented to the Railway Board, and so it is, what may be called, *sub judice*, and I stop with merely drawing the attention of the Railway Authorities to that.

The other grievance is about Bengal coal. I understand that the rate for coal in the East Indian and Bengal Nagpur Railways is higher than on the G. I. P. and the B., B. and C. I. Railways, and the result is that, though on account of natural advantages it was possible from the Bengal mines to supply coal at Ahmedabad at economic cost, yet, due to these differential rates, it has now become impossible. I understand that a telescopic rate is charged for coal, and, under that system, the rate for the first 300 miles is much higher than for the next 300 to 1,000 miles; but what happens is that for the Bengal coal, if it has to be supplied to Ahmedabad, the rate for the first 300 miles is much more than the rate for the first 300 miles that is charged on the Central India coal. I do not like to go into these details, because, in a motion like this, it is not possible to do full justice exhaustively to these points: I merely refer to it to draw attention of the Railway Board that, in fixing these rates, they should pay special attention, so that one industry may not suffer on account of the mere whim in fixing the rates of different systems of railways in India. I fully agree with the Honourable the Commerce Member's proposition that the rates should be fixed in a way that should be economically sound; but I maintain that the higher rate need not be necessarily economic. It has been found that a lower rate

may be much more advantageous than a higher rate in the long run if it can help in organising large industries that will be carried in a particular line. So the Railway Board should not merely confine its attention by saying "We cannot lower this rate, because anything less than these will not cover the expenses". It may be found that if for some time there is a loss, the encouragement, that the industries will get due to a lower rate and greater help in organising and developing industries, will more than pay the temporary loss in the long run. I would like to draw the attention of the Railway Board to this special aspect. The railways potentially can help in a great way in developing the trades and industries of the country, and fortunately our Commerce Member also happens to be the Railway Member. So, as regards fixing of these rates, it should not be merely a mechanical or technical thing; but due attention should be paid to rival or competing interests of the different industries in the different parts of the country. Particularly, attention should be paid to the point that for the same article different freights should not be charged on the different systems of railways in this country, thus destroying and ruining industries in some parts of the country. Sir, I support the motion.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Mr. President, nobody regrets more than myself that I have not been able to be present in this Honourable House and take part in the deliberations of this most important subject of the Railway Budget. Today is the last day, and I desire to make my submission as briefly as possible, with regard to coal freights.

You may be aware, Sir, two years ago I raised my little finger in this House against the methods of the railways in purchasing their coal and administering their collieries, and I only know at what cost to myself I divulged the serious defects that prevailed in their purchases and what a serious loss Government were incurring year in and year out in the administration of their collieries and in the purchase of their coal. Thanks to my Honourable friend, the Commerce and Railway Member, he has taken up all the suggestions that I had made, and today I feel flattered that the public exchequer is saving not less than a crore of rupees.

Sir, we have been hearing very much about the protection of industries, and so forth. What about the protection of Bengal coal? The Bengal coal trade, Mr. President, is tottering, and this is largely due to the high railway rates. I am quoting from the Report for the Public Accounts Committee submitted by the Bengal Nagpur Railway:

"Of this total decrease, coal alone accounted for a drop of Rs. 9,78,000. Although the earnings from coal carried for the public increased by Rs. 5,20,000, due chiefly to the imposition of the surcharge of 15 per cent. and to the carriage of smaller tonnage of rebateable Coal for the Steel Companies, coal carried for foreign railways decreased considerably involving a loss of Rs. 13,00,000. This was due to the Railways in South and Western India obtaining supplies from sources nearer their home stations, and to the diversion of larger quantities by the sea route from Calcutta, which latter not only escaped the surcharge, but in addition, gained the benefit of a rebate"

Mr. P. R. Rau (Financial Commissioner, Railways): What is the document from which the Honourable Member is reading?

Mr. A. H. Ghuznavi: I am reading from the Reports for the year 1931-32, and 1933-34. I think it is a very recent Report.

[Mr. A. H. Ghuznavi.]

Sir, it was last year that the Government made up their mind not to send the coal for the Madras and Southern Mahratta Railway and the South Indian Railway by the sea route and feed the steamship companies, but to send it by their own railway and earn the freight. Now, the position is this, I shall quote from the latest Report and then make my comments. This is a Report, again, from the Bengal Nagpur Railway for the Public Accounts Committee for the years 1930-31 and 1931-32:

"The rates for the carriage of coal, from collieries situated on the G. I. P. Railway, in the Central Provinces, were reduced in 1926,"

—Mr. President, bear this in mind,—

"to a scale lower than that in force on the Bengal Nagpur Railway, or on the East Indian Railway. It is understood that in 1926, the coal from the Central Provinces collieries was not considered as good as the best second class Bengal coal, and coupled with the fact that reduced rates would increase development, they were eventually sanctioned. Since then,"

—the Report says—

"Since then, these conditions have changed. Considerable contracts have been given to these collieries to supply coal to the Railways, and I was informed by the Chief Mining Engineer."

—this is what the Agent says,—

"and I was informed by the Chief Mining Engineer to the Railway Board, that much larger contracts are likely to be given next year. This coal is said to be equal to the best second class Bengal coal and the output rose to 513,347 tons in 1930. It is interesting to note that the coal traffic, booked from all Pench Valley Collieries, for the year ending the 31st March, 1922, amounted to 281,081 tons, and produced Rs. 20,19,499 freight while for the year ending the 31st March 1930, the same collieries despatched 513,347 tons, and the railway earnings came to Rs. 20,48,743, or approximately the same freight for double the tonnage. These and other factors including improved methods of utilising inferior coal in Mills and Factories, now give the Central Provinces collieries a very great advantage over those situated in the Bengal and Bihar and Orissa coal fields, in the markets of Western India."

Now, the position is this. They have a telescopic rate, and, therefore, the carriage of Bengal coal from the colliery has got a different rate, and the Great Indian Peninsula Railway gets the advantage of that difference of the lower rate, because they start from Nagpur itself. They take the lowest rate from there, and they transport their coal to longer distances. The Bengal coal suffers, because it has to pay a higher rate up to Nagpur; and the Great Indian Peninsula Railway takes advantage of the lower rate which prevails in Nagpur to carry their coal to Bombay or Ahmedabad.

Then, Sir, the Chief Commissioner for Railways said in the Council of State that a surcharge of 15 per cent. on coal had given a larger income and it had not reduced the coal trade, but here, as I have pointed out already, the Agent of the Bengal Nagpur Railway says that the surcharge has killed the coal trade, and it must be so. What is the result now? On account of the higher rates which you have fixed for coal, people are not likely to purchase coal at all; they are trying to put in engines for crude oil. Once all those who want coal find that crude oil will be cheaper, they will go in largely for crude oil engines, and the whole of the coal trade will be lost. Therefore, Sir, the suggestion made this morning regarding a Rates Committee has my strongest support. I think a Committee is urgently necessary to go into this matter. If such a Committee were appointed, it would be of great advantage to the Railways and also to the

coal trade. Sir, I support this in the fervent hope that the Railway Member will take this suggestion seriously and appoint a Rates Committee to go into the whole matter without much delay, so that that Committee may settle these points once for all.

Mr. K. C. Neogy: Sir, any one who has read the history of railway construction in India will remember that railway construction was undertaken originally with a two-fold object,—the first one was political, that is to say, the railways were expected to facilitate the government of the country by the British authorities, and the second object was promotion of foreign commercial interests. As a matter of fact, when about three quarters of a century ago, the proposals were initiated, it was pointed out by the commercial interests of England that the construction of railways in India would facilitate the outflow of cotton, particularly for the benefit of the British cotton manufacturers. I think that is the point to which my friend, Mr. Maswood Ahmad, was referring when he said that the rates are fixed for the purpose of promoting Lancashire interests, but perhaps that statement does not hold good today as it did in those early days, because, as we know, so far as cotton is concerned, other countries have taken greater advantage of these lower rates than Great Britain. But, Sir, the fact remains that the railway rates policy has largely been determined by a desire to facilitate the export and import trade of the country, and not so much to develop and improve the internal centres of industrial activities.

My friend, the Diwan Bahadur, has already referred to a debate that took place in the old Imperial Legislative Council in 1912 at the instance of the late Sir Vithaldas Thackersey. Three years later, that is, in 1915, we find that Sir Ibrahim Rahimtoola again raised the question in a debate in the old Imperial Legislative Council where he pointed out that the railway rates policy had been determined very largely in the interests of our foreign trade. He made certain very definite complaints. We know further that when the Industrial Commission was appointed, they recorded a very large body of opinion on this point, and when the Acworth Committee met, that class of evidence was repeated before it. I should very much like my friend, the Honourable Member in charge, to tell us in reply as to whether there has been any change in that policy, apart from the adjustment of individual rates for the benefit of individual traffic. That is the broad issue which I should like to be answered on this occasion.

Now, Sir, I remember to have read in the evidence, that was tendered before the Acworth Committee, statements made by responsible men, like the Chairman of the Board of Directors of the Great Indian Peninsula Railway Company, as it then was before it was taken over by the State, that the railways attached as great an importance to the handling of foreign traffic as to internal trade. Of course, it was not admitted that the Indian railways were neglecting internal trade, but it seemed to me, reading between the lines, that they attached greater importance to foreign traffic, both inwards and outwards, than to the development of the internal trade.

Mr. B. Das: Hear, hear. That is our complaint.

Mr. K. C. Neogy: Yesterday we were discussing the question of the Statutory Railway Authority. Two members of that Committee have complained that nothing has been done so far by the Government for the purpose of giving a Statutory power to the Rates Tribunal in the matter of fixation of rates; I should have very much expected Honourable Members

[Mr. K. C. Neogy.]

themselves to have raised this point in the London Committee itself. If Honourable Members were to refer to paragraph 5 of the London Committee report, they would find that the first sentence has a great similarity indeed to the language of the first sentence in section 127 of the South Africa Union Act. But when I read out that portion of section 127 of the South Africa Act, Honourable Members will realise the difference between the language in paragraph 5 of the report and that particular clause. This is how the South Africa Act reads:

"The railways, ports, and harbours of the Union shall be administered on business principles, due regard being had to agricultural and industrial development within the Union and promotion, by means of cheap transport, of the settlement of an agricultural and industrial population in the inland portions of all provinces of the Union."

It may be that the problem that the South African Union had before it was somewhat different from the one that we have to deal with in the present instance, but, judging from the speeches that have been made, including the speeches by the two Honourable Members of the London Committee itself, it seems to me that they would have been justified in putting in a clause like that in their report instead of the very vague and general terms in which they have worded the first sentence of paragraph 5. I am very glad that my Honourable friend, Mr. Ghuznavi, has raised the question of the coal freight. I am in a position to bear him out when he says that, due to the high coal freight, the coal industry is suffering from a good deal of handicap. I remember what the Chief Commissioner of Railways, Sir Guthrie Russell, said in the other House while explaining the Railway Budget the other day, where he sought to justify not merely the existing rates, but also the surcharge, on the ground that the coal traffic, instead of showing any diminution, had actually increased. That brings me to the question as to what is the principle that should determine the fixation of a rates policy and the construction of a rates structure. My Honourable friend, the Commerce Member, has said that the railways are to fix what he described as economic rates. I do not know what he exactly meant, but, as far as I have been able to study the question, all over the world the rates fixed are expected to be such as, what has been termed in very well known words, "what the traffic can bear".

A few years ago, we had a Financial Commissioner in this very House who gave a very curious interpretation of that formula. I asked him what was it that this formula, what the traffic can bear, meant. He said in effect—I am not quoting his words—he said that we can fix rates at such a level as would enable us to get the maximum of revenue without losing the traffic. That is to say, so long as the traffic is not lost to the railway, the railway would be justified in pushing up the rates. That is a most erroneous interpretation, as anybody, who has read anything about railway economics, knows. This formula, what the traffic can bear, has everywhere in the books on railway economics been explained as a kind of principle of equity: that is to say, you are expected to fix a rate which you can justly ask a particular commodity to bear. Nothing depends upon the volume of the traffic which you can get on the basis of a particular rate. The whole question is, are you justified, having regard to the economic value, having regard to the volume of the traffic that you are going to handle,—are you justified in fixing a rate at a particular figure? It is an entirely equitable consideration. It is no answer on the part of Sir

Guthrie Russell to say, look at the traffic that I am getting on the basis of the existing rates, as he said with reference to coal. It is an absolutely fallacious proposition. The Railway Authorities are expected to enquire into the present economic position of that industry and then fix the rate. I was really surprised to find that a responsible man in charge of the railways could possibly make such an erroneous statement, which shows what great ignorance prevails in this country even amongst responsible railway officials of the very elementary principles of railway economics. Sir William Aeworth has, in one of his books, stated that the days of the rule of thumb man are gone, so far as the railway administration is concerned. I think the days have not yet gone of the rule of thumb man, so far as Indian railways are concerned.

Mr. B. Das: That is why they want a Statutory Authority.

Mr. K. C. Neogy: It is not a question of assistance. My Honourable friend talked of assistance to agricultural industry. He said, if you want assistance, you ask for it in an open manner, you will get it in an open manner, just as what happened in the case of the Punjab wheat. It is not a question of charity. There is something else involved in this question. As I said, it is a question of equitable principle.

I just want to refer to a few points made by my Honourable friend, the Raja Bahadur. He was casting longing looks at the rice market in Bengal and he wanted a reduction in the rates for the benefit of Madras rice so as to enable it to secure a foothold in the Bengal market. I entirely admit that unsatisfactory as our statistical information is, Bengal is a deficit Province, that is to say, Bengal imports somewhat more of rice than she exports. Now, Sir, we find so far as markets in Bengal are concerned, the imports consist largely of Burma rice, and I find further from certain statistics, which have been made available to me along with a few other Members of this House, of the prices of rice by the courtesy of my Honourable friend, Mr. Bajpai, that there is a good deal of difference in the price of Burma rice and Bengal rice, and that, in spite of the present depression, the difference between the price of Burma rice and Bengal rice has more or less been maintained at a uniform level throughout all the fluctuations in the prices during the past few years. The difference would be in the neighbourhood of about a rupee per maund. It is a considerable difference, which seems to me to show that there is no direct competition between Burma rice and Bengal rice. There is, it seems to me, a distinct demand for that type of rice from a distinct class of consumers in Bengal. It is a question of taste, as Honourable Members very well know. Take the case of Madras rice. I find that comparing the prices of Madras rice at the three centres for which we have got figures, they approximate more or less to the prices in Bengal. The difference is little indeed. The complaint made by my Honourable friend from Madras is that the prices are very low, and they expect a better price for their rice. Otherwise, there would be no meaning in asking for lower rates which might facilitate their securing outside markets. Therefore, if we find that, under existing circumstances, there is practically no difference between the price of Madras rice and comparable qualities of Bengal rice, what is the benefit that my Honourable friend expects to get if, for instance, the railway freight were to be reduced? If that enables Madras to reach the Bengal markets with greater facility, it might have either of two effects. If that rice is in a position to compete with Bengal rice, that complicates the situation in Bengal, because we also in

[Mr. K. C. Neogy.]

our Province have been complaining of the lower prices of rice. If it does not succeed in competing with Bengal, what is the use of sending that rice to Bengal? It cannot compete with Burma rice, which is much cheaper than either Madras or Bengal. But that is by the way. It was a point which was made by my Honourable friend, the Raja Bahadur, very casually, but I thought that I might as well point out the exact position in this matter.

Now, Sir, my Honourable friend the Diwan Bahadur, referred to the Acworth Committee's recommendation regarding the desirability of having a Statutory Authority for the purpose of regulating the rates, so far as the Company-managed lines are concerned. What the Acworth Committee recommended was not that this House should legislate for the purpose of fixing any definite rates apart from the maxima or minima, or any standard rates, as he described them; but what the Committee in paragraph 148 had in mind was that a body should be set up—I think they had in mind the Rates Tribunal which they recommended in another part of the report—when they said that a body should be set up with Statutory Authority for the purpose of regulating these rates. Here, again, as my Honourable friend, the Member in charge, knows, although the Acworth Committee had made a definite recommendation for the setting up of a full fledged Tribunal to determine these vexed questions of rates, it was the great influence which the Companies exert, in England particularly, that did not permit the Government to set up a Tribunal of the character contemplated by the Acworth Committee. There, again, these very contracts, which my Honourable friend wanted to be controlled by a Statute of this Legislature, were flung in the face of the authorities in England and in India, and they said: "Look here. How can you, in the face of these very definite terms in the contract which give us a free hand in fixing any definite rate within the two limits of maxima and minima, set up a Tribunal which will be a final authority in regard to these matters?" That was really the trouble, and I really do not know why my Honourable friends did not raise this very point in England when they met in that Committee. I find that, in paragraph 11 of the Report, they make a reference to the maxima and minima rates and fares in so far as they relate to State-owned lines. It cannot, therefore, be said that their attention was not drawn to the question of the maxima and the minima rates. Why is it, I want to know, that they failed to bring up the question of the authority to control the rates in the case of Company lines as was recommended so very definitely so long ago as 1921 by an authoritative Committee of the character of the Acworth Committee.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member may conclude now.

Mr. K. C. Neogy: I do not think I can usefully take up the time of the House any further. I am very glad that my friend, Mr. Maswood Ahmad, brought up this very interesting question for discussion, and I do hope that when the Government of India make up their mind on the question of the Statutory Authority, they will go into this very important question as to the position and powers that are to be assigned to the Rates Tribunal so far as the fixation and the regulation of the rates and fares are concerned.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, I rise to address the House just for a few minutes as an absolute layman on the subject; I may even say that in some respects an ignoramus, and I should not have risen if I had not had several difficulties which no other Honourable Member has yet solved. If I may refer just for two minutes to a question that was discussed this morning, namely, when and how often Members on the opposite Benches should speak on a debate of this sort, I would respectfully suggest that the practice followed in Local Councils,—and especially in the Bombay Council of which I have some experience,—might with advantage to Government be followed here, namely, that not the Honourable Member himself, but the very able gentlemen who sit behind him may now and then give us the privilege of hearing their voices. If these Honourable gentlemen had given us that privilege, I might not have risen to speak. I think it might conduce to curtail discussion. We on this side of the House have the privilege of making mistakes, of quoting wrong figures, of misapplying figures. That is our privilege. We are non-officials, we are laymen, but when a single Member on this side of the House quotes a wrong figure or misapplies it, and if an Honourable Member on the other side of the House would immediately rise and point out the mistake, I venture to suggest, that no other Member on this side of the House would repeat that mistake or misapply those figures again. I will try to explain what my difficulty as a layman is. Member after Member has risen in this Honourable House to ask for concession rates for certain commodities. So far as I can see, every commodity in India has been referred to—coal, wheat, rice, cotton, oil seeds and fish. Then, may I ask, Mr. President why some Honourable Member on the other side did not rise to explain that if all these commodities are to be carried at concession rates, where does the surplus in the Budget come in. We are at the time faced with deficit Budgets. We have not been able to give to the general revenues their dues from the Railway Budget. On the other hand, we have been asked to allow Government to tap the Depreciation Fund. Sir, from that point of view, I would really have liked some information. My Honourable friend, the Member in charge, laid down the general principle that if a concession is to be made, let it be made openly and let it be one of direct assistance to a commodity, let us know what we are doing; if it is a concession, then let the tax-payer know that through the railways this subsidy is being given to this commodity—a very sound principle, indeed, I agree—but, as my Honourable friends here have said that is not going quite far enough. It is the duty of the railways to see that no industry is crushed out of existence, due to railway freights; it is also the duty of the Department to see that a commodity that may have had a hold on a certain part of India should not cease to be able to send that commodity to that part of India, due to an increase in freights. Those principles have to be followed, and the general tax-payer has to pay for them. My friend, Mr. Neogy, referred to that much-discussed phrase—"the rates that the traffic can bear". I have heard several interpretations of that phrase, and one of them has been that, since the railways are bound to give concessions openly, deliberately, to certain commodities in order to encourage agriculture or industry, the railways also have the right to fleece other industries or commodities, provided that, that industry or agriculture will allow themselves to be fleeced; that is to say, as long as they continue to co-operate and send their goods by rail. I think, Sir, that is not a correct interpretation to place on the phrase, "the rates that the traffic can bear". I quite realise that an industry or a

[Sir Cowasji Jehangir.]

commodity, that can bear to pay a fair rate of profit, should be made to pay it, but it is not right to bring it to the verge of bankruptcy in order to pay for concessions that you may have to give to other industries and commodities. Sir, I think that it is time the Honourable Member in charge of Railways did give us an authoritative interpretation of those words and the policy that is followed due to that interpretation. Sir, industrialists and agriculturists, whether in times of prosperity or depression, want cheap freight. I have no doubt that so long as human nature remains what it is—and it is going to continue as long as this world lasts—we shall have Honourable Members in this House, who represent industry, commerce or agriculture, demanding the reduction of rates, and that is going to continue whether you have Swaraj or whether the present form of Government continues, so I would suggest that for the future there may be a Rates Tribunal which should take up the responsibility of deciding this very vexed question on judicial lines, after a judicial investigation, and whose voice shall be final. I know Government will be delegating one of its most important functions to such a Committee if the suggestion is carried out, but, Sir, we are asked on this side of the House to delegate to a small Committee called the Statutory Railway Board some of our functions, and if it is to the interest of the country, the interests of all concerned that we should delegate those functions, I think Government might also consider the question of delegating some of their powers, may be one of the most important powers, to a Committee which will act judicially, equitably and whose decisions shall be final and—I venture to suggest—a Committee whose judgment will be respected as today the judgments of High Courts throughout this country are respected and followed.

Sir, in the old days, so far as I can remember, the complaint of non-official Members was that the railways favoured foreign trade; I have read speeches of Honourable Members who said in the old Councils that the railways were constructed for the benefit of foreign trade; those days, I trust, have passed. The railways are in existence to encourage the industries and the agricultural products of this country (Hear, hear), and I would not be averse to the railways encouraging our industries and our agricultural products even if thereby we adversely hit foreign trade. (Hear, hear.) Sir, every country takes advantage of its railways for this purpose and I would not be averse to seeing our railways used to encourage our industries and our agricultural products, and I would not be averse to our profits being reduced, even to facing deficits, if those deficits are due to such encouragement and not to maladministration. (Hear, hear.) Sir, these would be the principles I would lay down, but I would certainly guard the profits of our railways if it came to a keen competition between one part of India and another part of India. Sir, I would, therefore, guard the financial interests of the railways, but speaking for myself, I would be quite prepared—I repeat—to face a deficit in the railways if that deficit is due to, or caused by the encouragement to, industries and agriculture.

Some Honourable Members: The question may now be put.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

“That the question be now put”.

The motion was adopted.

The Honourable Sir Joseph Bhoré: Sir, I will now conclude the speech which I began a little while ago and I would like to do so by referring to some of the individual points which have been raised since I last rose to my feet. I do not know whether my Honourable friend, Mr. Das, really meant to suggest that we should raise the rates for agricultural products to the ports.

Mr. B. Das: I did not say any such thing. I leave it to the experts.

The Honourable Sir Joseph Bhoré: My Honourable friend has only to read the statistics of sea-borne trade to see what an important part agricultural products play in the economic life of the country and how vital it is that we should find foreign markets for these products. Everything, therefore, that can be done to stimulate the flow of agricultural products to the ports should, I think, be done. (Applause.) My Honourable friend, Mr. Das, also made it a cause of complaint that though concessions were given on the occasion of certain Christian festivals like Christmas, so far no attention was paid to the festivals of other communities. May I say that he seems to have forgotten that there are such things as Puja concessions.

Mr. M. Maswood Ahmad: What about the Id?

The Honourable Sir Joseph Bhoré: I will not enter into the communal field at the moment.

Then, Sir, my Honourable friend, Mr. Aggarwal, suggested that we should take no credit to ourselves for the experiment that was made in 1931 in regard to the lowering of the wheat rate between the Punjab and Karachi. He is quite right. I do not take any credit for that. I would only point out that on that occasion our calculations showed that the lower rates in the four months in which they were in force resulted in a loss of something like 16 lakhs. But I would point out to him that we have, as an economic and a business proposition, during the course of last year, definitely reduced the rates for Punjab wheat and I will give my Honourable friend the rates that we are charging. I can assure him that we are not calling upon the Punjab Government to reimburse us for any loss that might result as a consequence of those lower rates. I would point out to him that the previous rate for wheat from Lyallpur to Howrah was Rs. 1-3-4 a maund and we have now reduced that to Rs. 1-0-4 a maund, the reduction is equivalent to something like 16 per cent. We have reduced the wheat rate from Kanewal to Howrah from Rs. 1-3-11 to Rs. 1-0-4, a reduction of 18 per cent. We have reduced in like manner the wheat rates from Aligarh and Chandausi by something like 10 per cent. We are not yet in possession of the results of those reductions, but we shall again review the figures at the end of April, 1934, when we are in possession of the results of these reduced rates.

Sir, I am in entire agreement with my Honourable friend, Mr. Mitra, when he said that a higher rate is not necessarily an economic or the most advantageous rate. That is the principle upon which we have been acting, and I can assure him that that will be the principle which will guide us in the future.

My Honourable friend, Mr. Ghuznavi, complimented us for having at last accepted certain suggestions made by himself. I gladly accept the

[Sir Joseph Bhore.]

compliment that he has paid us and I can assure him that any suggestions of a like nature which we consider are really in the interests of the railways of this country, we shall not hesitate to follow, it does not matter from what source they may emanate. (Laughter.) Now, Sir, in regard to coal freights, I would merely say that it is perfectly true that we have put on a surcharge, but I would bring it to the notice of Honourable Members that the freights existing today *plus* the surcharges are less than the freights which were in vogue in 1926. My Honourable friend, Mr. Ghuznavi, has also, I think, made it a ground of complaint that the rates on coal from the C. P. were lower than the rates on Bengal coal. I may inform him that the rates on C. P. coal will be raised from the 1st April.

Now, Sir, I have left my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, almost to the last. I must confess that I do not follow him in his suggestion that it is not possible for bodies representing agriculture and industries to come before us and put forward the plea that certain rates are not in themselves reasonable for any particular type of commodity. It is perfectly open to them to do so and I would suggest to my Honourable friend that representative bodies of that description would be in a far better position to place their case before us than Honourable Members in this House who must naturally deal generally with the subject and would not be able to quote chapter and verse and give details in support of the case put forward. Then, my Honourable friend has also suggested that it is iniquitous for railway companies to compete with each other and quote lower rates in competition with each other. I must confess that I do not follow the logic of my Honourable friend's criticism, because, if I remember rightly, only a few days ago, he was the most eloquent advocate of competition on the part of railways with each other. I refer lastly to a very important matter which he made mention of. He said that it is time that the classification of goods which has existed for so long should be reconsidered and revised. That, Sir, is a question of undoubted importance, and I can assure him that the matter has already been taken up for consideration. He will realise that a basic revision of this nature involves an effect on railway revenues and on trade which is so great that we cannot embark upon it without being in possession of all relevant statistics and the first steps towards an investigation into the subject will be the collection of these statistics. The Indian Railway Conference Association has taken up this matter and we hope that the collection of statistics which alone will enable us to go properly into the question of reclassification will be undertaken at the earliest opportunity. It may then be a matter for consideration after we have had the question considered by experts whether a body of non-officials should not be associated with us to examine the data and to advise us before we take any final step.

My Honourable friend, Mr. Ranga Iyer, asked, what railways have done for Indian industries? Now, Sir, may I again point out that the only sound method of assisting Indian industries is to ask them to go before the Tariff Board and to substantiate their claim for protection. If they do that, by all means give them all the protection they need by tariffs or by bounties or by any other overt means, means which can from time to time be inquired into, examined and altered by the authorities sanctioning that assistance. Otherwise, it merely comes to this that you may be subsidising an industry which is not worthy of protection through railway rates at the expense of the tax-payer.

My Honourable friend, Sir Cowasji Jehangir, made a point which I myself intended to make, and I need, therefore, not repeat it. He is perfectly right when he said that if this commodity and that commodity and the other commodity asked for preferential and special concessional rates, then what was the result going to be? The result will undoubtedly be that this particular industry or that particular industry may benefit, but the ultimate loss will have to be borne by the tax-payer.

My Honourable friend, Mr. Neogy, raised the important question of a Rates Tribunal. This is undoubtedly a matter of first class importance. It is not for me here and now to give expression to any views in regard to a matter of this magnitude, but I can assure him that, in connection with the proposals for a Statutory Railway Authority, that matter will receive most careful consideration and examination.

My Honourable friend, Sir Cowasji Jehangir, also asked me for an authoritative interpretation of the phrase "what the traffic will bear"? I do not propose to satisfy him in regard to that matter, but I would suggest to him one consideration. If a Statutory Railway Authority is to be constituted which is to be representative of all interests—agriculture, industry and commerce,—may we not safely leave it to a body so constituted to see that railway rates will not in any way jeopardise or prejudice the interests of the various industries in this country? Sir, I hope that I have touched on most of the points that have been raised in the debate and I would ask my Honourable friend to withdraw his motion, because, I think, his purpose has been adequately served.

Mr. M. Maswood Ahmad: Sir, in this connection I want to say a few words before I express my attitude with regard to this motion. My trouble is that it is very difficult for the agriculturist to go before the Rates Advisory Committee, as has been pointed out by my Honourable friend, Mr. Mudaliar. If some of them only go there, the attitude of the representatives of the railways before that Committee becomes hostile. They want only to reply to those questions which have been raised by the agriculturists and that is a great trouble. I think that the attitude of the representatives of the railways before the Railway Advisory Committee should be a sympathetic one, and, in this connection, I would quote only one line from the book written by Mr. K. C. Srinivasan who was some time the Secretary of the Rates Committee. He says "it is obvious that the railways are generally in a better position than the applicants". I want that when they are admitted to be in a better position their attitude should not be hostile, rather it should be sympathetic towards the applicants.

The second question is that whenever any question is raised on the floor of the House about agriculturists, my Honourable friend, Sir Joseph Bhore, stands up and places before us the case of wheat. Sir, in the case of Indian songs, sometimes a particular line is called the "Antra" which is repeated after every verse in the song. And the "Antra" of my Honourable friend, Sir Joseph Bhore, is, after he has had his say about various things that he may have done for the agriculturists, that he has given protection to wheat, that he has given special rates for taking wheat from the Punjab to Calcutta.

The Honourable Sir Joseph Bhore: My Honourable friend has forgotten the case of rice and of sugar and of sugar-cane.

Mr. M. Maswood Ahmad: I am coming to that. I think, Sir, that the voice of the Punjabees is much more effective on account of their being a martial race, and that is the reason why my Honourable friend has given them these concessions. But the Biharees and Bengalees, who are not a martial race, have not been shown this sympathy in the matter of rice. There is no place for the Biharees, because there is no Biharee to represent them in the Executive Council. Of course, in days gone by, there was Sir Ali Imam; after him, the interest of Bihar has always been overlooked.

Now, Sir, the logic of my Honourable friend is that the question of value has also to be considered when the rate for different commodities is fixed up. In this connection I would like to say that my Honourable friend has quoted that the selling rate for coal is very cheap and the selling rate for rice and other commodities is high and so the rate for carrying the rice is high. Now, what is the selling rate for your sodi bicarb? You charge for it also the same rate for carrying. The rice is not as valuable a thing as sodi bicarb is, and yet we find that the charge for carrying rice and sodi bicarb is the same. Thus, your logic falls.

Then, Sir, I would like to suggest that in the future Rates Advisory Committee members of different Provinces should be represented and there should also be on it the Members of the Provincial as well as the Central Legislatures.

I am thankful to all my Honourable friends who have supported me. It is now clear that all the sections of this House do not like the prevailing rate and they feel that it is unreasonable and I hope my Honourable friend will do something for the agriculturists, especially for rice, and that the rates will be revised. My purpose has been served, as has been said by my Honourable friend himself, and so I do not want to press this motion to a division. I beg leave of the House to withdraw it.

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

System of Appeals.

Dr. Ziauddin Ahmad: Sir, I move:

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

and this I do in order to raise the question of the system of appeals.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Sir Abdur Rahim, one of the Panel of Chairmen.]

It was pointed out today that in all the debates Government had always the last word and we never had a chance of replying and the only chance that we have is on the next motion. So there is one very important point to which I should like to refer. My Honourable friend, the Railway Member, quoted yesterday the rates of different countries, in cents, in yens, in pfennings and in pies, and then said that the rates in India were much lower than the rates in other countries.

The Honourable Sir Joseph Bhoré: Is my Honourable friend "appealing" against those rates? (Laughter.)

Dr. Ziauddin Ahmad: No, just wait and see. This particular question of comparing the rates by means of their exchange value is an incorrect proposition. I had an opportunity to discuss this question with the Secretary of the Union Internationale des chemins de fer, and I said that, if you want to compare the rates in different countries, it is not correct simply to compare them by the rate of exchange of different countries. What you ought to do is either to take the index of the cost of living or take the index of the wages and take a ratio of the rate per mile to the index of either of the two. That is, you take the price of the ticket per mile and also find out one of two things, either the cost of living or the wages and take the ratio; and then alone you can compare whether the rates in a particular country are higher or lower than in other countries. The same is the case about comparison in the same country at different times. If you compare the rates in 1926-27 with the rates in 1934, then you could not compare it in terms of rupees, annas and pies, but you have to compare it with this special ratio, that is, the ratio of the rate of third class fare per mile divided by the index of either wages or of the cost of living. And I think if you compare it in this way, you will find that railway rates and freights in India are much higher than the rates and freights in other countries. I have not worked out yet the detailed theory.

Now, coming to the cut itself, the present Railway Member's predecessor, Sir George Rainy, on the floor of this House, in 1931, said,—and I entirely agree with him: "It would be unfair to single out this department alone for special treatment and that, if a reduction was finally found to be necessary, it should be general and applicable to all departments of Government". This is the view which the late Commerce Member took in 1931, and, following the same principle, he upheld that the Lee Concessions that were granted to the general services in other departments should also continue in the case of the railways. But the circular issued in connection with the treatment of their employees by the Railway Department is something very different from the spirit indicated on the floor of the House by the late Commerce Member. I have got before me the rules regulating the discharge and dismissal of State Railway non-gazetted Government servants, and there it is laid down:

"The Railway Department being a commercial department, service in it must in its nature differ from service in other Government departments, and continuance of employment must be subject to the tests and conditions enforced by large commercial concerns."

Therefore, in one case, when you come to the higher officials, you demand that the concessions should be the same as in other departments of the Government of India, but when you come to the treatment meted out by yourself to your own employees, you follow entirely different principles and you lay down that it is a commercial concern and we need not follow the principles or the conditions of service laid down in other Departments. Either have one or the other, but you cannot consider it as a commercial department in one case and as a department parallel to the other departments of the Government of India in the other. And I maintain that, so long as we do not change the principles, the same conditions of service ought to be applied to the railway servants which may be fixed for the servants in other Departments of the Government of India, and any rules that may be laid down by the Home Department about the condition of service should *ipso facto* be binding on the service.

[Dr. Ziauddin Ahmad.]

of the State-managed railways, and there should be no differentiation of any kind whatsoever.

Having discussed this principle, I now come to the practice followed in regard to appeals. No doubt, as far as the rules are concerned, they do not look very objectionable. The rules are so drafted, but they provide a loophole in giving the power to the Agents and other people to delegate their authority to subordinate officers. This particular provision in the rules has been rather misused in a large number of cases, or, I may say, in almost all cases, and I think it is time when we ought to consider these things very seriously. What really happens is this, that, in the case of the subordinate officer, he applies for an appeal. The discharge order was practically given by the head of the department in the Divisional Superintendent's office and this discharge order was written on the report of a particular clerk. He sends his appeal to the Agent. The Agent has no special officer to deal with these cases, but a certain clerk in his office sends the appeal back to the Divisional Superintendent for disposal. The Divisional Superintendent, on the other hand, sends it again to the head of the department who reported the discharge and then it is sent back again to the clerk, and the clerk presents the application of the leave with only a small memo. that this is the appeal of Mr. A. who was discharged on such and such date. But frequently no details are brought to the notice of the officers and the poor man, without his appeal being read by any responsible officer, gets the application back with a note that the Agent regrets that he sees no reason to interfere in this matter. Now, he has got one more option left to him which is really given to all the servants of His Majesty, that is, an appeal to the Viceroy for mercy. Now, the application is sent to His Excellency the Viceroy. The Private Secretary to His Excellency naturally sends it to the Railway Board and that is the only thing that the Private Secretary could do. It is assumed that the Railway Board has some officer who will read these applications sent by His Excellency the Viceroy. But there we find that there is a second grade or third grade clerk who simply puts on a printed memo. without any officer reading that appeal and sends it back to the Agent. The Agent, again, sends it back to the Divisional Superintendent and he, again, sends it back ultimately to the same clerk on whose report the man was discharged and on whose report the first appeal was dismissed, and now, on the report of the same clerk, again, the final appeal for mercy to His Excellency the Viceroy is also disposed of.

This is really the prevalent practice. Is it not all farce? Is it not injustice? I daresay, I am not entirely familiar with the internal working, but this, I believe, is the correct picture which has been told to me repeatedly by persons who have been the victims of these appeals and I shall be glad if gentlemen, who have first-hand information, will enlighten me on this point, and probably, nobody here has got first-hand information, because, none of the Members of the Railway Board ever read the appeals of these persons.

Mr. C. P. Colvin (Government of India: Nominated Official): Sir, I should like to say in reply to my Honourable friend that every appeal that comes to the Railway Board is seen by some officer.

Dr. Ziauddin Ahmad: I said that this application is sent to the Agent with a printed memo. signed by a clerk. Is it correct or not?

Mr. C. P. Colvin: No, Sir; it is not correct that it is sent back by a second or third grade clerk.

Dr. Ziauddin Ahmad: Then I should very much like that the Honourable gentleman should make a statement and I shall be very glad to change my opinion after knowing the true facts. But the general impression in the country is what I am giving expression now. This has created a feeling of great insecurity among employees. In old days, there used to be a practice that an advance copy was sent to the Railway Board, but now they have issued an instruction that strict disciplinary action will be taken if an advance copy is sent. So if an appeal application is withheld by subordinates, there will probably be no way for finding out whether the application was or was not withheld, and I hope, when my Honourable friend, Mr. Colvin, gets up, he will also reply to this point as to whether such instructions have recently been issued or not, and what machinery exists for finding out whether the applications of individuals are withheld.

While we were discussing the question of the Statutory Railway Authority in London, the point was raised as to why so many questions were being asked on the floor of this House. Sir Henry Burt, a late President of the Railway Board, pointed out that in his time the letters written by any person to the Railway Board and letters written by any Member of a Legislative Council on any matter received careful consideration. The practice of the present Railway Board is just the reverse, and I ask, is it or is it not a fact that the Railway Board issued a circular in September, 1933, saying that any representation from Members of the Assembly or Council of State should not be considered by any Railway Authority? I should like to be told on the floor of this House whether it is a fact or not. If the Members of this Assembly are to be treated in this way that any representation of ours should not be considered, then what is the use of our being here and discussing railway problems? My friends on this side have been laying great stress on the fact that we will lose all control when we create the Railway Authority; but this is the value of the powers which we now possess. I have no reason to doubt my information. It is tested by my experience. The way by which I tested its accuracy is that, whenever I write to any railway official I invariably get a reply, if that official happens to be known to me; but if I write to any officer whom I do not know personally, I never get any reply. This forces me to the conclusion that the statement I made is correct. But I like to know whether it is a fact that such a circular was issued.

Coming now to appeals of officers there we have a circular that the Railway Board must forward the appeals to the Secretary of State. But, in practice, the appeals of non-Asiatic officers, who have been appointed by the Secretary of State himself, are not withheld; but I should like to know how many of such appeals were withheld in the case of officers who were Asiatic, belonging to the Anglo-Indian or any other community. I say that the system of appeal now prevalent in the Railway Department is very defective; and, I think, if they claim to be placed on the same level as other Departments of the Government, then it is not too much to request that they should follow the same system as is prevalent in other Departments. After all, there is security of tenure in Government service; but nobody can say that there is that security of tenure in the services of the Railway Department. A drastic change is necessary.

[Dr. Ziauddin Ahmad.]

I will finish by suggesting that if Government really desire that justice should be done and that the privilege of appeals is a real privilege, then they ought to appoint in the Railway Board a Special Officer and that Officer should not be a railwayman, but he should be a civilian with judicial experience, because, whatever may be said about civilians, I think the Indian civilian has very great merits, and is one in whom one can always trust. I say a civilian ought to be appointed to the Railway Board to listen to all these cases of appeals, and I believe that in the Agents' offices also there should be a person of very good status who should attend to all these appeals on behalf of the Agent and who should have powers to call for the papers from the authority which discharged them. He should be able to consider the charges and defence and should be in a position to form his own judgment. He should be a judicial officer. If such an officer with powers to call for all papers is appointed, I am sure that about 75 per cent. of the grievances of the railway employees will disappear. The Government should create a sense of security among the employees and they should pay serious attention to this grievance. With these words, I beg to move my amendment.

Mr. Chairman (Sir Abdur Rahim): Cut motion moved:

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

Mr. N. M. Joshi: Mr. Chairman, I am very grateful to my Honourable friend, Dr. Ziauddin Ahmad, for raising the question of the general grievances of the employees. He himself has dealt with one of those grievances, namely, the grievance as regards appeals. This question of grievances and appeals are correlated: if there are grievances, there is need for appeals. I shall, therefore, deal with the grievances and how appeals made are treated by the Railway Authorities.

The greatest grievance of the Indian railwaymen at present is that about 50,000 of them have lost their employment. Employment is the first necessity of all employees, especially of employees that belong to the class from which our railwaymen are derived. Unfortunately the Government of India are following a policy by which employment is becoming difficult. I suggested some days ago that the Government of India should follow a policy by which more employment will be created. I suggest to them that at least in the Railway Department they should try their very best, in the interests of those employees who have lost their employment, to create employment. I suggest to them that they should undertake new construction of railways: I should also suggest to them that, instead of purchasing stores from foreign countries, they should start railway industries

Mr. Chairman (Sir Abdur Rahim): The Honourable Member must confine himself to the question of appeals: that is the motion before the House.

Dr. Ziauddin Ahmad: On a point of order, Sir: with the permission of the Government, I included in this particular question the general grievances also.

An Honourable Member: How can Government give that permission?

Mr. N. M. Joshi: There is no question of the wording of the motion; it is up to the Member who moves to say as to what his meaning is: my friend, Dr. Ziauddin Ahmad, had very clearly stated that his object was, to raise the general question of the grievances.

Mr. Chairman (Sir Abdur Rahim): The Honourable Member cannot do that when the thing is quite clear. The question is about the system of appeals; the grievance which the Honourable Member is now putting forward before the House does not come within the terms of that. The Chair must ask the Honourable Member to confine himself to the question raised by the motion.

Mr. N. M. Joshi: May I request you to consider this question? This is not a Resolution of which any notice is given: it is a motion and the Honourable Member, out of courtesy to Government, tells them what he proposes to speak about: the Honourable Member has now definitely stated that he wants to raise the whole question

Mr. Chairman (Sir Abdur Rahim): The debate must proceed according to the terms of the motion, because there are a number of motions before the House and each one relates to a particular object. This one relates to the object of raising the question of the system of appeals, and so the Chair cannot allow the Honourable Member to wander into other questions which may be a matter of grievances as against the Railway Authorities: therefore, the Chair would ask him to confine himself to the system of appeals.

Mr. N. M. Joshi: I absolutely bow to your ruling. At the same time, I wish to draw your attention to this fact: I am not questioning your ruling at all. But the fact is this: we can give notice of a motion for cut without even stating anything, and neither the Government nor anybody can compel us to do that.

Mr. Chairman (Sir Abdur Rahim): The Chair has given its ruling.

Mr. N. M. Joshi: All right: I do not propose to speak at all.

Sardar Sant Singh (West Punjab: Sikh): Sir, the right of appeal is a most valuable right given to an aggrieved person. In a big organization like that of the railways, this right of appeal is still more valuable, because it gives a sense of security to the employees, and ultimately it leads to contentment in the service. The way in which the right of appeal is exercised by the employees shows what great importance they attach to this right, but the way in which these appeals are treated by the railway officials show what little value they attach to this right. I will illustrate my point by specific instances.

First of all, I want to bring to the notice of this House that about 25 per cent. of the questions that are put on the floor of this House relate to the grievances of the railway employees, and, if we take into consideration the many questions which are disallowed by the Department on the ground that they are not in the public interest, but that they relate to individual cases, then we can safely say that about 50 per cent. of the questions that are given notice of relate to the Railway Department where injustice has been done to the employees. However, taking the case of the question that I put this morning and which was answered by the

[Sardar Sant Singh.]

Honourable the Financial Commissioner for Railways, the House will see how much importance is attached by the railway officials to these appeals. This is a case relating to one Sayad Basharatullah, a guard of the Lahore Division. He was discharged on the 21st January, 1928. He sent up five appeals, one after another. I do not know how many appeals are allowed by the Department, but the fact remains that this particular individual sent up five appeals, one on the 28th July, 1927, the second was on the 1st January, 1928, the third was on the 6th November, 1928, the fourth was on the 21st November, 1928, and the fifth was on the 3rd December, 1928. All these appeals were summarily rejected without going into the merits of the question whether he was rightly discharged or not. Then he preferred an appeal to the Railway Board on the 23rd September, and also sent a forward copy to the Secretary of the Railway Board, and one copy to the Agent's office for being forwarded to the Railway Board. It dawned upon the Agent then that there was something serious and the facts were going to the notice of the Railway Board. This appeal met with a better fate. The guard was allowed leave for six months with pay. The Railway Authorities had been refusing him redress so far, though, according to this order, he was entitled to it under a circular of the Department. Then he put forward another series of appeals. On the 24th January, 1930, he put in an appeal, and again he made another appeal on the 24th March, 1930, praying that his case did not fall within that circular, that he did not deserve the six months' leave, but that he should be re-employed. Then the railway officials concerned felt that that circular did not apply to him and so they granted the man leave of 26 months with pay. Now, this man comes forward with a grievance and says: "If my appeal had been disposed of in accordance with the rules of the Department on the first day,—all this time, that is three years, has practically been wasted—I could have been re-employed in another category". Ultimately he comes up to this House and gets certain questions asked. The answer is known to the House. It is to the effect that the Railway Board has not issued any such circular for maintaining the register. The supplementary questions disclosed that the information given to this House was not correct. As usual, the N. W. Railway supplies wrong information to the Railway Board, and the Railway Board in turn supplies wrong information to Members of this House. Sir, this is not the first complaint of its kind. I shall deal with another case now, and this case will also show how valuable is the right of appeal and what a great check it exercises upon the arbitrary interpretations of the circulars of the Railway Board by the authorities of the N. W. Railway.

This House is very much familiar with the questions that have been put about travelling ticket collectors on the N. W. Railway. First of all, orders were issued that this cadre had been abolished. According to rules, if a cadre is abolished, people concerned can be discharged without notice, but in this particular case these travelling ticket collectors were made special ticket examiners and were transferred to that cadre, but their emoluments were cut down. Well, they exercised their right of appeal, and they said: "Here you say that our cadre has been abolished, but the only thing you have done is to have changed our designation from travelling ticket collectors to special ticket examiners, while the duties are exactly the same as the duties we were doing from 1923-25". Now, their appeal was not heard. They sent another appeal, and that too was not heard. Then they made a series of appeals, and they came down and waited in deputation on the

Railway Board. Then the Railway Board thought that there was some force in the contention of these people, and so a certain option was offered to them. In that option the Agent of the North Western Railway had put down a further condition that they should forego their right of compensation of all sorts, and that they should either accept or reject the option within 24 or 48 hours. They could not do that, and so again a separate representation was sent with facts and figures pointing out that, according to the rules framed by the Railway Board, their emoluments could not be reduced. The rule in question was this:

"Travelling Ticket Collectors are classed as Traffic Train Staff, and permitted under the orders of the Manager, to draw the allowance referred to in clause (C) to (E) of paragraph 359. It is, however, left to the discretion of the Manager to grant or refuse all or any of these allowances, but whatever allowance is to be given should be determined by the Manager at the time the person is engaged."

Now, Sir, this is a very important condition. Legally, so far as I can interpret the law, the Railway Authorities could not have changed the emoluments of these people, they could not interfere with the allowances they were getting, because these allowances were granted to them at the time they were engaged. They could exercise their option at the time of their engagement. What the Railway Department could do was to continue or withhold these travelling allowances when new persons were engaged for the same duties, but how on earth the Railway Department could take away this right, which was already vested in them, is not clear to me. For three years they have been fighting. My submission is that if the vagaries of the Department continue as they are today, there is really no sense of security. It is more a case of nepotism than a case of doing justice to any employee of the Department.

These are two illustrative cases which I wanted to bring to the notice of this House, and I am sure the House will see the injustice that is done to the employees by the Railway Department by not adhering to the rules framed by themselves for their subordinates. So, the suggestion made by Dr. Ziauddin is very sound, namely, that, instead of leaving these matters to the prejudice of the railway employee, a senior official should be deputed to look into the grievances of the employees and hear their appeals and decide them in accordance with the rules and circulars issued by the Railway Department. I support the motion.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): My one reason for intervening in this debate, apart from my desire to support this motion, is to place before the House, if I can, my views on the question of appeals as practised in the Railway Administrations of India. Before I do so, I feel that I must pay a tribute to the Honourable Member and the Members of the Railway Board for their courtesy whenever I have addressed them on matters of appeal, etc. I say that I have received in my sixteen years' experience as a public man dealing closely with railway matters, every courtesy from the Railway Board and Railway Agents and that they have listened to appeals from me. That is, however, one marked exception,—the present Agent of the East Indian Railway who has refused to listen to grievances from me for Indians. Sir, I do not blame the Railway Board. The Railway Board has issued very comprehensive orders dealing with all forms of appeals. The fault lies mainly with the Railway Agents and their under officers. These Railway Agents have acquired a habit, peculiar to themselves, which, in practice, implies that they please themselves whether

[Lieut.-Colonel Sir Henry Gidney.]

they obey the Railway Board's order or not. This is daily evidenced in the multiple ways in which Railway Agents have interpreted orders of the Railway Board, and I think the Railway Board themselves have before them evidence in Mr. Hassan's report in which he candidly states that the Railway Agents do not carry out the orders of the Railway Board. Therefore, when we blame the Railway Board, we are not hitting the proper target. It is the Railway Agents and their officers who are mainly to blame. What happens? The Railway Board issues orders, the Railway Agents pass them on to Heads of Departments, the Heads of Departments pass them on to the Divisional Heads and Deputies, and they in turn pass them on to the lower officers and subordinates, and often times you find the Loco Foreman the judge and the accuser of a driver or a fireman who had been punished by him and in all cases he is supported by his higher officers, till you finally come down to, what my Honourable friend, Dr. Ziauddin, has immortalised here, the ubiquitous clerk in the railway office. This is a daily occurrence. The opportunity of a subordinate to appeal, then, becomes an absolute fiasco, a *sinecure*. A man is discharged for some reason or other, rightly or wrongly. Say he is discharged by a senior scale officer. That senior scale officer, before discharging him, has consulted the Divisional Superintendent or the Deputy Mechanical Engineer or some such officer who has appointed the subordinate. Where does the appeal of that subordinate lie? Not to the senior scale officer who discharged him, but to the one who has appointed him in office, *i.e.*, the Divisional Officer, but he is the one who has already agreed to his discharge on the recommendation of his under officer. Of what use is it to give a man a right of appeal not to the officer who discharged him, but to the officer who appointed him when both are of one mind. It is very extraordinary how the word "discharge" includes within itself a lot of crimes for which the officer has not got the courage to dismiss an employee. He discharges him, because it is a convenient way of getting rid of an undesirable subordinate. Remember, if the man is dismissed, he can appeal to the Agent, if he is deprived of any money *e.g.*, his Provident Fund, bonus, etc., he has an appeal to the Railway Board. This is the absurdity of the right of appeal, but this is being practised day in and day out for many years. The result is that the Railway Administration in certain railways is seething with discontent. This discontent is solid, though hidden and deep down, because, today, the competition of life is so strenuous that the harassed employee remains silent rather than lose his bread and butter. Believe me, I am not drawing a black picture when I say that in certain departments on many railways the picture I have drawn is a true one.

The extraordinary part of it is that Members of the Legislative Assembly are prohibited from having anything to do with railway servants under the Railway Servants' Conduct Rules. Though railway employees have a right to vote for their Members on the Legislative Assembly, they are deprived of the right of coming to them with their complaints. One would like to know why this state of affairs exists? Why is it that this discontent remains and has remained for so many years and on railways only? It did not exist when these State Railways were Company-managed. Then we seldom heard of these disputes. The point is that in those days the railway officials were the *Ma-Baps* of railway employees. The railway officials knew them well, and personally listened to their grievances. Today things are different, for you have to go through

a labyrinthine channel of communication regarding appeals, so that it is almost impossible for anybody to reach the Railway Board. Then, again, another fact remains. There is not the faintest doubt—I say this with all respect to the railway officer who is hard worked and I have no desire to belittle his technical qualifications and ability, but I do submit that he lacks a proper sense of equity and logic. Indeed he has not got a judicial mind. He cannot judicially enquire into these cases with that fineness of logic and equity which is so necessary to form a sound judgment. And, again, he is faced with a most extraordinary and unfortunate social position in his life. The social life of the railway officials is peculiar in that they are huddled together in a small station, they live near each other, they meet each other every evening, so closely in their clubs and houses that it is bound to have a reaction on his mentality regarding justice and equity, with the result that it is seldom a senior officer has the courage to alter the recommendation or opinion of his junior officer against a subordinate. The result is that the subordinate has to suffer and go to the wall. His social life is such, his environments are so peculiar, that it is almost impossible for him to act otherwise. I do not say that he wants to be unjust, but conditions are so peculiar to railway official social life. This does not obtain in other civil departments. I only mention this because it shows the need for some one with a judicial mind, *e.g.*, an *ex-Railway* official, to enquire into these matters, apart from the need of technical knowledge necessary for derailment or a break down of engines. I am not talking of such cases. I am confining my remarks to appeals from punishments. *En Passant!* I ask: why is it that it is only on railways that this discontent prevails? In the other Departments of the Government of India and in the Provincial Governments we seldom find any such complaints. This House is absolutely silent on them. If you analyse the questions asked in this House, you will find that nine-tenths of them relate to railway matters and most of them refer to discontent and displeasure at the way the railwaymen have been treated by officials.

Let me now follow up an appeal after it has been submitted. A man sends up an appeal. He receives a reply that his appeal cannot be upheld. He asks that the appeal be sent up to a higher authority. He is confronted with the appeal rules and is told that his appeal is withheld and it cannot go up. I do not know if that is a fair way of treating an employee's application. The rules state, if he has got ten years' service or over, his discharge must be subject to certain formalities. There must be an inquiry. A charge sheet must be framed and the man must be given an opportunity to defend himself. I know they do this in some cases, but I also know of cases in which the appeal rules have been absolutely ignored and that man has no remedy. Suppose an employee does influence somebody, say, a Member of the Legislative Assembly, and that somebody approaches a higher official and that higher official interferes in the matter and says "I cannot alter the order". Now, say, somebody else interferes. The railway official thinks that the man is becoming a nuisance and he is told: "If you are not satisfied, the remedy is in your hands. You can resign". But suppose a subordinate succeeds, *i.e.*, he appeals to the Railway Board or to the Viceroy, and the Railway Board makes inquiry. I know they have done so in some cases, I can vouch for that myself. They find that the punishment awarded to an employee has been excessive or wrong. What happens to that man? I say this with great restraint and pain, but, I say this with justification and with all respect.

[Lieut.-Colonel Sir Henry Gidney.]

(I am thankful to say that it does not happen so often now.) I say, that man's life is made a veritable Hell. He is made to feel that he has scored and I know a case in which a man has been made to feel that. The man absolutely resigns in disgust. Now, I am happy to say that these things do not happen so often with the present Railway Board. I take my hat off to the present Railway Member for the just way in which he handles most cases. Indeed he has gone out of his way to help such cases as he said on the floor of this House, but this has happened. These men are still suffering this injustice and there must be a remedy for this. The remedy is in the hands of the Railway Board. The Railway Agents say that discipline must be maintained and the prestige of the railway official must be maintained at all costs. I agree, but this discipline is being carried too far, often to the extent of saying "Brutus has spoken. Let no dog bark". But is that the way of running a commercial undertaking such as our railways? What is the result? The result today is that the men are dissatisfied. I am not talking of any particular community. I am talking from my wide experience of railway matters. What is the remedy? I say to the Railway Board, "Overhaul the appeal rules. Improve them and make your Agents obey these rules". I know railway employees have now a better chance of getting redress, but this is not enough. We in this House have frequently defeated Government on the question of a demand for a Complaints or Grievance Committee. We have asked the Government to have some such Department attached either to each railway or to have an additional Member of the Railway Board employed exclusively for the settlement of appeals from State Railway employees. I am not referring to petty appeals. I am referring to important appeals on which a man's bread and butter depend. Let there be a complaints or an inquiry department in every railway and to that department let the settlement of these matters be relegated. I do believe that if the appeal rules are so radically modified or improved, so that every employee may feel a real sense of security of service, this motion, moved by my Honourable friend, Dr. Ziauddin, will have served a very useful purpose. In conclusion, I would like to emphasize this fact. I have indulged in some home truths today. I have done so with no disrespect to the Railway Board, for I again repeat that I have received courtesy and every attention to do justice to the matters I have brought to their notice, and so I hope the Railway Board will take my remarks in the right spirit. To prove my facts, let the Railway Board call upon the Agents to report the numbers of appeals that have been upheld, by the higher authorities, and, lastly, to see that justice to the employees is not subordinated to upholding the prestige, the *izzat* of the officer.

Mr. C. S. Ranga Iyer: Sir, I shall be as brief as possible, as I find many of my non-official colleagues are getting up to speak. I will confine myself exactly to the description given here, namely, "the system of appeals". My friend, Colonel Sir Henry Gidney, has clearly shown how this system requires improvement and revision. The railway organisation is a very big organisation. It employs a large number of people, both labourers and clerks as well as subordinate men. All of them come under the constant supervision of their superior officers who often times err on the side of discipline and who are sometimes inclined to listen to reports which have no leg to stand upon. I do not propose to take up individual cases and I know a large number of them; nor do I propose to approve of the description which probably Colonel Gidney gave in regard to the

State Railways. I do not think that description is altogether non-applicable to the Company-managed railways. I believe there is more difficulty in the Company-managed railways than in the State-managed railways. "Seething discontent" was the description by Colonel Gidney. There is a great deal of dissatisfaction among the employees in the Company-managed railways. Drastic action is not so frequently taken as it is sometimes quickly taken without adequate inquiry or on the prejudice of certain of the officers of the railways. I shall tell you how this prejudice works. It is a very sad thing to say or to go into particular cases on the floor of this House. This prejudice can work against a very honest and very efficient employee, I regret to say, even on political grounds. If he has a relation who is an advanced politician holding advanced views and who sometimes stays with him or had stayed with him in the past, a prejudice is created against him. That man is persecuted almost to the extent of leaving the railway. There is no other alternative. I do not want to give any case.

Now, then take the case of the labour employees and labour disputes. Probably my friend, Mr. Joshi, would develop it on some other occasion showing how these labour disputes come up, how they are settled, how sometimes an appeal is necessary either by the labour men directly or through their accredited agencies. Even among labour employees, sometimes there occurs "seething discontent", resulting strikes, but here I must say that in the case of the Madras labour dispute about which I put a large number of questions in the House, the Government very promptly interfered and I must also say that the Agent of the Madras Railway equally promptly looked up their grievances. Of course there was an interval of disturbance, but he looked up their grievances and tried to conciliate them so far as he could.

Sir, I should not take much of the time of the House. I spoke in a very general way, but I would ask the Honourable the Railway Member, if possible, to instruct all the Company-managed railways to be a little more generous in regard to dealing with their employees, especially those employees with whom they are dissatisfied, and in the matter of appeals.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir, the system of appeals is a standing grievance in the Railway Department. The appeals are really no appeals. In the existing system, the manner of appointment is not so objectionable as the manner of listening to appeals. In practice, the authority responsible for the dismissal of servants is also the authority for disposing of appeals. Practically the same clerk, on whose initial note dismissal orders are issued, also writes the note on the application for appeal. This method of appeals has produced a great dissatisfaction amongst the staff, both subordinates and officers. It is, therefore, highly desirable that a Special Officer with necessary assistants and staff should be appointed at the Agent's office to listen to all these appeals. The appeals of the officers may either be heard by the Public Service Commission or by the Railway Board, in the latter case a Special Officer should be appointed at the railway who should not be eligible to any other appointment in the Railway Department. The application for appeals should be forwarded departmentally but the Department should not be empowered to withhold the appeals.

It happens, and not infrequently, that the appeals of employees are withheld for indefinite time by the immediate authority and they are not forwarded to superior officers. The poor employees are very much handicapped. Even if the appeals are forwarded, then there exists no barrier

[Rai Bahadur Lala Brij Kishore.]

in the Agent's office to deal with them. The usual practice is that the appeal is sent back to the officer who passed the dismissal or punishment order. This officer forwards it to his own head of the branch concerned, who, in his turn, sends it to the clerk on whose initial note the dismissal or punishment order was issued. The same clerk writes a note on the appeal that he sees no reason whatever to interfere. This note goes up to the Agent's office and then comes down again to the poor employee. It moves up and down four times, but not a single man in the whole channel ever reads the appeal or looks into the case except the clerk who had the file with him. Unless a special department is organised, I am afraid, nothing can be done.

Pandit Satyendra Nath Sen (Presidency Division: Non-Muhammadan Rural): Sir, I rise to support the motion moved by my friend, Dr. Ziauddin Ahmad. I quite admit that the rules relating to appeals as are to be found on paper are quite all right, but so far as the observance of those rules is concerned, it is nothing more than a mere eye-wash. My Honourable friend, Sardar Sant Singh, just now cited a case in which the victim preferred his appeal five times, and in the course of his speech my Honourable friend exclaimed: "I do not know how many times these men are allowed to prefer their appeals!" My answer to his exclamation would be: "practically not even one worth the name".

My Honourable friend, Mr. Colvin, in answer to Dr. Ziauddin's statement, said that if an appeal ever went to the Railway Board, it was heard by the Railway Board, but I beg to submit that the word "if" is very significant; practically speaking, it is on very rare occasions that an appeal is allowed to come before the Railway Board. On the present occasion I will be speaking specially of one particular Division, viz., the Dinapore Division. During recent years, there have been a very large number of discharges. I have collected here more than a dozen, though I am not going to tire this House at this far end of the day by citing them all. I shall cite only two or three instances out of them. In none of these cases has a regular course of appeal been allowed, and even if an appeal has been allowed, the decision made by the higher authorities has never been given effect to.

I will cite the case of Mr. H. N. Sinha, Head Master of the Dinapore Railway School, who was discharged by the Committee. The Divisional Superintendent refused an interview to him and his appeal was rejected by the Agent. Sir George Rainy ordered his re-appointment, but after his retirement, the orders were ignored by the Agent on the false plea that he had attained the age limit, although he was 53 years of age at the time of his discharge and 54 years of age when Sir George Rainy passed orders. (Hear, hear.) There has never been an age limit for school teachers, and long after the discharge of Mr. Sinha, the head Persian teacher of the Dinapore School retired at the age of 70 years. (Laughter.) This illustrates what has been said by my Honourable friend, Sir Henry Gidney, that the Railway Board is not to be held responsible; it is the Agent and his subordinates that are really responsible. But I am not prepared, Sir, to absolve the Railway Board of their responsibility also. They should be more zealous in safeguarding the rights and privileges of their subordinate officers.

The next case which I shall narrate is that of P. Bharti, Guard. The details of this case have appeared in the railwaymen's paper named the

Mazdoor of the 28th October. I have prepared a brief summary of the case and I think it would be worth while to go through it in one or two minutes so that the procedure which was followed in this case can be appreciated by Honourable Members. This gentleman applied for privilege leave for only one or two days, but the application was refused by the Station Master, Gaya. He sent a private telegram to the Divisional Superintendent as is usually done in all cases of emergency. Leave was granted, but Mr. N. K. Misra, Assistant Superintendent of Transportation, issued a warning to him for sending a wire direct to the Divisional Superintendent. He applied for an interview with the Divisional Superintendent regarding N. K. Misra's warning. He was then, as a result of this, called by Mr. N. K. Misra "Badmash" and "rascal" in the presence of Mr. G. P. Misra. His statement was submitted. The warning was confirmed by Mr. Misra, and he was told "nobody will protect you; not even the Secretary of State for India". . . . He was then suspended through a letter signed by B. V. Varma, Assistant Staff Superintendent who signed for the D. S. I want to draw the attention of this House to the fact that he was suspended by one B. V. Varma who signed for the Divisional Superintendent. Bharti explained the matter to the Divisional Superintendent. The Divisional Superintendent pressed for an apology and the withdrawal of allegations. The apology was made, but it was not regarded as wholly satisfactory. Charge sheet received before any inquiry was held. Asked to show cause "why your services should not be dispensed with" for indiscipline. Explanation submitted, but served with notice of discharge without any reply to the explanation submitted. Appeal to the Agent withheld by the D. S. (This is the point I should like to press.) Then, appeal to D. S. filed without any reply. What were the grounds for withholding the appeal by the D. S. to the Agent? The facts are these. The discharge order is made by one Mr. B. V. Varma who signs for the D. S. The D. S. sees that the man has a right to appeal to the Agent, because the rule says:

"Subject to the exception provided for in rule 10, an appeal from an order of discharge or dismissal shall lie only to the authority next above the officer passing the order."

So, when the Divisional Superintendent is the officer who practically passes the order, an appeal must lie to the Agent. But the Divisional Superintendent is not inclined to allow the man to go further. For all practical purposes the Divisional Superintendent and his staff play the part of autocrats in their offices. So he had recourse to a device. He says that the order of discharge was made not by Mr. Varma, who had signed for the Divisional Superintendent, but it was made by a third man, one Mr. Hamid. Sir, when I sign for somebody, can it be held that Sir Henry Gidney has signed it? From commonsense and from the practice that obtains in all public offices, it is a well known fact that the person for whom the signature is made is really intended to be the person making that signature. If it is held to have been signed by Mr. Varma, then the order of discharge is to be regarded as void, because the rule says:

"No officer lower than an officer of the senior scale or corresponding rank may pass an order of discharge."

It is for this reason, i.e., to avoid this difficulty, that the Divisional Superintendent had recourse to a device and said that neither Mr. Varma nor he himself signed the order, but it was signed by Mr. Hamid.

Mr. S. C. Mitra: How did this third man come in?

Pandit Satyendra Nath Sen: That is a mystery which I could not solve. I approached one of the Members of the Railway Board who has since been nominated a Member of this House. I was very cordially received by him as my Honourable friend, Sir Henry Gidney, has often been received, but the matter is still exactly in the same position as it was then. Sweet words were of no avail. He was kind enough to make an inquiry. He wrote to the Agent and simply repeated to me what the Agent had said in reply. This is the reply that was given:

"In Guard Bharthi's case, the original order of discharge by the Transportation Officer of the Division, a copy of which has been forwarded to the Board by the Agent."

In the previous paragraph, he says:

"All letters from a Divisional Superintendent on the East Indian Railway issue as from the Divisional Superintendent either signed by himself or by some officer under his control for the Divisional Superintendent."

This, I should submit, is an astounding statement. If an authorised agent of Mr. Colvin receives a payment from one of his creditors and signs for Mr. Colvin, can Mr. Colvin deny that the payment has been really made? I think he cannot.

Mr. C. P. Colvin: Sir, I should like to make some remarks with regard to the case of Guard Bharthi about whom my Honourable friend has been speaking, because I dealt with his case.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can speak when Pandit Satyendra Nath Sen has finished his speech unless he wants to make a brief personal explanation.

Pandit Satyendra Nath Sen: Sir, there have been so many cases and so many Honourable Members have been interested in them that more than 50 per cent of the questions put in this House relate to railway matters. I have given notice of such questions very often and if they are allowed, my Honourable friend, Mr. P. R. Rau, gives a very short answer often consisting of one short sentence, *viz.*, "I have called for certain information which will be laid on the table in due course". In this way, he avoids supplementary questions and their grievances cannot be ventilated.

Mr. P. R. Rau: Sir, I must protest against that insinuation. The Honourable Member should remember that when questions are asked, the information has got to be obtained from the railways for which ten days are allowed which is not sufficient in many cases. If Honourable Members will ask only for information which is within my personal knowledge, I shall certainly give it to them and reply to supplementary questions to the best of my knowledge.

Honourable Members: Why don't you get the order changed?

Mr. P. R. Rau: If you, Sir, are pleased to change the order and give us more time, I shall be pleased to obtain the necessary information and answer any supplementary questions that I may be in a position to answer.

Pandit Satyendra Nath Sen: I have almost finished my speech, Sir. My grievance is that the rules of appeal are all right, but in most cases an appeal is treated as a mere formality which it was never intended to be. In the rules it has been clearly laid down that "in no case and in no sense is an appeal to be treated as a mere formality". So I say that the appeal should be listened to and there should be no insecurity of the service of the railway employees.

Mr. C. P. Colvin: Sir, I have only a very few words to say in connection with the case of Guard Bharthi with which my Honourable friend was dealing just now. My Honourable friend said that, in the misuse of the appeal rules, he did not hold the Board to blame, but he held the administrations to blame. But this particular case is an example in which I cannot agree with what he has said. In this case, the guard had no right of appeal to the Railway Board. My Honourable friend had written to the Board about this case and he interviewed me and I agreed as a special case that I would examine the matter. A report was called for from the East Indian Railway and the original papers also were called for. I went through them carefully, and I came to the conclusion that the Administration had been perfectly right in the disciplinary action which they had taken regarding this guard. I explained this personally to my Honourable friend. It is, therefore, an instance of a case in which the Administration was right and not wrong in the action that they took.

Pandit Satyendra Nath Sen: But how will my Honourable friend explain the novel procedure that the signature made for the Divisional Superintendent does not mean that it was his signature?

Mr. C. P. Colvin: I do not propose to go into that question now. I explained it to the Honourable Member when he saw me.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): I am very glad, Sir, that an opportunity has been given to me on this occasion to express my views, because many questions are put by me in this House with regard to the rights of appeal by railway employees. Sir, I do not in the least agree with my learned friend, Pandit Satyendra Nath Sen, that the railway rules with regard to the appeals are all right. They are not. They are antiquated rules and ought to be revised. They are the rules which do not show where rightly appeals should lie and where they should not. Only the other day, this question cropped up here, and I asked the Honourable the Financial Commissioner to say whether he had revised the rules and whether he had gone through them. The reply was: "Find the rules in the Library and see for yourself". But, Sir, I may go and see for myself, but may I ask when were these rules framed and whether they have been revised afterwards, especially after so many instances have been given in this House to show that this appellate power which lies with the Railway Board lies only in exceptional cases and that it lies almost in all cases with the Agents. I have nothing to say adversely to the remarks of my Honourable and gallant friend, Colonel Gidney, for whom I have admiration. I have no enmity against him, I have no envy, but he himself may have envy. He said that the Board had been sympathetic and that the Board had always shown him courtesy and that was how he managed to get redress at their hands. That may be personal influence.

Lieut.-Colonel Sir Henry Gidney: I am sorry to interrupt my Honourable friend, but I deny having said that. What I said was that I always received courteous treatment from the Railway Board and particularly from the Railway Board as it exists today and the Honourable Member in charge of Railways. I never said that I received satisfaction in all cases I represented to the Railway Board.

Mr. Lalchand Navalrai: In my humble opinion, it amounts to the same thing that I said. My Honourable friend did not put the whole case before the House. The whole case is this. I have at present in my possession representations by Anglo-Indian guards, Anglo-Indian Assistant Controllers and Anglo-Indian Travelling Ticket Examiners, all of them telling me that they have not been getting justice.

An Honourable Member: Not getting justice from Colonel Gidney.

Mr. Lalchand Navalrai: I cannot say whether my Honourable and gallant friend, Colonel Gidney, has put forward the case of all his aggrieved Anglo-Indians before the Railway Board; if he had done so, he would have condemned the Railway Board.

Lieut.-Colonel Sir Henry Gidney: That supports me.

Mr. Lalchand Navalrai: The Honourable and gallant Member may have been successful in getting a few grievances redressed, and he thereby feels flattered over that. But, Sir, we see men of his own community coming to us,—the Indian Members of the Assembly—and telling us all their grievances. I may submit to the House that I make no distinction between Indians and Anglo-Indians. (Applause.) When they ask for redress, I help them as much as lies in my power.

Lieut.-Colonel Sir Henry Gidney: I can show my Honourable friend many cases in which I have gladly taken up the cause of Indians and obtained redress for them.

Mr. Lalchand Navalrai: Then, we are both on the same platform. I have no time, otherwise I would have dilated on this point. My complaints are chiefly these. The rules ought to be revised. The rules are not adequate. They are such that many of the powers have been decentralised to the Agents. The Agent is given, so to say, a blank cheque and he is asked to decide in whatever way he likes. My second complaint is that the Board has to see whether those rules are in fact and in effect strictly followed by the Divisional Officers and the Agents. My third complaint is that the non-interference by the Railway Board ought to be condemned. Whenever we come to this House with complaints against the Railway Administration, we are told that the matter is within the competence of the Agent, and the Railway Board sits without doing anything in the matter. In all the Departments of the Government of India, justice requires that there ought to be an appeal, a second appeal and lastly a revision. Is there any such revisional power under these rules? Government have invariably answered that there is no revisional power in the Railway Board, not even any power of superintendence, they say. I must say in this connection, however, that it is very good of the Members of the Railway Board that we do get replies when we send cases to them for their consideration. Sometimes the Railway Board send for the papers, but they are not required to do so under

the rules. They may or may not send for them. Just recently I sent up one case to my Honourable friend, Mr. Colvin, and I drew his attention to the case of certain people who were discharged by the Agent on account of defective eye-sight of a particular standard. According to the rules, as I read them, and my Honourable friend also knows the rules, whenever people are discharged from the railways on account of defective eye-sight, they have to be given some other appointment where they can work with the eye-sight they then possess. I referred to the case of one Thakur Das, a station master on the North Western Railway, and there was the case of another man too. I pointed out to the Honourable Member, Mr. Colvin, that under the rules persons, who were prematurely retired on account of defective sight should be given some other appointment and also be entitled to passes if so retired. I must say, in fairness to my Honourable friend, that he gave me a courteous reply, but the result was the same, namely, that the matter was said to be within the competence of the Agent. I say that the Railway Board are an impotent body so far as the acts of the Agents are concerned. I, therefore, submit that the policy followed by the Railway Board of non-interference with the acts of the Agents should be modified and the rules should be revised in that regard. If the Honourable the Railway Member has got much work, I would suggest that he should take one or two Members of this House in consultation and then see whether the rules require revision or not. There should also be a provision for powers of superintendence. If the rules were revised in that direction, we would not get the sort of replies that we get now from the Government. There is that recent instance of one Mr. Varma who had taken upon himself the business of signing for D. S. and the trouble arose as to whose signature it should be taken to be for an appeal. I may say that in the Karachi Division every day such business is carried on by the Personal Assistant. In the House I gave to the Honourable Member a representation of the clerks showing that great harm has been done to them by the Personal Assistant because he generally withholds the appeals to the D. S.

Mr. M. Maswood Ahmad: Was that Personal Assistant a Muhammadan or a Hindu?

Mr. Lalchand Navalrai: Whether a Muhammadan or a Hindu is no point. You heard the instance of a Hindu, and this is of a Muhammadan. There is no question of communalism here. I know that the Honourable Member, though dressed as a nationalist, always talks of communalism. The facts are there and my Honourable friend could verify these himself. I would appeal to my Honourable friend to discontinue this attitude of Hindu *versus* Muslim and to disabuse himself of this idea, because this kind of quarrel amongst us has given the Government a handle to answer questions on the floor of the Assembly in the manner they do at present, with the result that many grievances are not redressed. Reverting to what I was saying, what happened was that an appeal was sent to the D. S. at Karachi. He refused to entertain this appeal and asked the party to go to the Personal Assistant who had made the order. When they went to the Personal Assistant, he withheld the appeal. Is this justice? In such cases the aggrieved party cannot go to the Agent, because they cannot get direct representation, and when we come to this House to represent their grievances, we are told, "the matters are within the competence of the Agents". Besides

[Mr. Lalchand Navalrai.]

there are many questions which are disallowed by the Assembly Department as pertaining to individual persons. Even if some questions are admitted, the difficulty of getting satisfactory replies from the Government arises. I submit it is a very hard case, and the rules require to be changed for giving more power of supervision to the Railway Board, and the policy of non-interference should end.

The Honourable Sir Joseph Bhoré: Sir, I think I may begin by assuring the House that we on this side are as anxious as Honourable Members opposite to see that fair, equitable and just treatment is meted out to the employees of the railways. We recognise that no Administration can be successful unless the rank and file of its employees feel that they can be sure of getting fair and just treatment. In regard to this particular matter, Sir, I feel some difficulty, because certain Members have expressed the view that the rules are perfectly all right, but it is the administration of the rules that is wrong; others on the other hand have attacked the rules themselves. I should like at the outset to draw the attention of the House to one fact and that is that it would be utterly impossible, without courting the breakdown of the Administration, to permit appeals on any larger scale to the Railway Board. The House will, I am sure, realise that when we are dealing, on State-managed railways, with something like 400,000 employees, it would be utterly impossible for us to enlarge the opportunities for appeal of employees to the Railway Board. They have, as a matter of fact, under the rules, a right of appeal to the Railway Board in the most serious cases: that is to say, cases in which dismissal entails forfeiture of their provident fund.

Now, Sir, we come to the question of the manner in which the Railway Administrations work the appeal rules. I understood my Honourable friend, Mr. Lalchand Navalrai, who, I gathered from what he has said, has supplanted my Honourable friend, Sir Henry Gidney, as the representative of the Anglo-Indian community (Laughter) and as the custodian of their rights (*Lieut.-Colonel Sir Henry Gidney*: "Question.")—I merely said that I gathered that from what he said,—I understood my Honourable friend to suggest that there should be not merely second appeals, but that the field of appeal should be enlarged still further. I can assure my Honourable friend that we should have to have a very much enlarged Railway Board if we acceded to a suggestion of that description. Nor do I feel that any useful purpose would thereby be served. I can assure him that there have been many cases in which though the actual rules did not permit of an appeal to the Railway Board, nevertheless, in view of the representations made to the Railway Board and because the Railway Board are desirous of seeing that these rules are really worked properly in practice, they have called for papers and have gone into them.

Mr. Lalchand Navalrai: I gave an instance of that myself.

The Honourable Sir Joseph Bhoré: Quite so, and I can tell my Honourable friend something more. I myself have, on more than one occasion, despite the fact that no appeal lay to me, called for the papers and gone into them. And I should like to say that in all cases,—there have not been many, I admit, so far as I am concerned I cannot call to my

recollection more than perhaps two such cases in which I myself have looked into the papers,—but I can say that on all these occasions the Board and I were satisfied that the Agent had gone with the utmost care into the details of the cases concerned.

Now, Sir, in regard to the rules themselves I should like to say that the rules are not antediluvian and antiquated as suggested by my friend, Mr. Lalchand Navalrai. They were issued in 1929 after a discussion which my predecessor had with the All-India Railwaymen's Federation. Later on, the All-India Railwaymen's Federation made further suggestions, and, as a result of those suggestions, the rules were again revised in 1930 and they stand today in the form which was decided on after the consultation with the Federation on that occasion. Certain further amendments are at present under consideration of the Board; and I trust, Sir, that as a result of the further consideration which these rules are now undergoing, the staff may get further protection. I cannot undertake to guarantee that officers on the railway will have no cause for complaint in future. All I can assure the House is that the Railway Board have definitely on occasions made inquiries, I have personally gone into matters myself on more than one occasion and on those occasions we have had no *prima facie* evidence that appeals were not being properly dealt with. I hope, Sir, in view of what I have said in regard to the fact that the rules are being re-considered, my Honourable friend will withdraw his motion.

Dr. Ziauddin Ahmad: Sir, I never intended to bring any reflection on any of the railway officers here or on the running lines, many of whom are my personal friends. I knew that there are certain grievances among the employees which are genuine grievances. No doubt they are your employees, but they are our voters (Laughter), and it is impossible for us, in the discharge of our public duties, not to pay attention to their genuine grievances which are creating feelings of insecurity. But, in view of the assurance given by the Railway Member, I beg leave of the House to withdraw my motion.

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

Condition of State Railway Press Employees.

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

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

to discuss the condition of the State Railway Press employees. My purpose is to draw the attention of the Railway Authorities to the grave situation in the Railway Press in Calcutta. They have submitted many memorials and the facts are well known to the Railway Board, but unfortunately they have not still been favoured with any reply. Within the two or three minutes that are at my disposal, I wish to deal with the main points. Their first complaint is about the delay in the payment of salary; the second complaint is that promotions and increments are often withheld arbitrarily; the third is that operatives are often summarily dismissed or fined on flimsy grounds; fourthly, the members of the Association are unnecessarily harassed; and, fifthly, grant of passes is delayed. They pray that there should be only one grade with a graduated scale of pay and an efficiency bar at a certain stage, and that increments and promotions should be automatic according to a time-scale; that all the industrial staff, such as compositors, binders, machinemen, etc., should get all leave

[Mr. S. C. Mitra.]

benefits like the clerical and subordinate supervising staff of the Press and that their status should be the same as that of the superior non-workshop staff of the railway; that all persons demoted in the press should be immediately placed in their former posts and pay; that the salary of the operatives should be paid on the first date of the month.

The main grievance is that the several State Railway Presses were amalgamated with a view to effecting retrenchment, and what we find is that though the mechanical workers and the artisans have been retrenched to a great extent, there has been actually an addition to the superior staff. Different reasons were given by the authorities at different times. In 1931, there was a heavy retrenchment. Mr. Mackenzie, the Deputy Superintendent of the East Indian Railway Press, stated in a deposition before the Court of Inquiry in 1931:—

"The reason for discharge was to comply with the recommendations of Mr. A. F. Salter appointed as Special Officer to inquire into the scheme of reorganising the printing office. There was no other reason in January."

But the Court of Inquiry found that the reason was not true. The number of operatives actually in the staff was much less than that recommended by Mr. Salter and all the press workers, who appealed to the Court, were reinstated, and the Court remarked that—

"these men have a genuine grievance in having been retrenched."

But numerous others who could not appeal in time through ignorance were not reinstated.

Again, there was another retrenchment in 1932, and the reason given was that the work had decreased considerably. But it was pointed out that, not only had the work not decreased, but on several occasions the operatives had to work overtime and services of men from other departments had to be requisitioned to cope with the work. But, in spite of this fact, the poor workers were not reinstated.

Then, again, in 1933, another retrenchment took place. This time the plea was that it was an economic measure. To run the Press more economically, it was necessary to reorganise the Press, and, as a step towards it, both the Eastern Bengal Railway Press and the East Indian Railway Press had to go amalgamated, and, as a consequence, many of the staff were found to be surplus. But this economic reorganisation did not touch the highly paid supervising and clerical staffs of both the presses, all of whom found provision in the amalgamated Press. But unfortunately the economy demanded the sacrifice of about 40 operatives whose total income would not have exceeded Rs. 1,200 a year—a sum less than the pay of a Superintendent or a Deputy Superintendent.

The Honourable Sir Joseph Bhoré: I do not want to interrupt the Honourable Member's speech; but his speed is so great that I cannot follow him.

Mr. S. C. Mitra: I know, Sir, that all the facts are before the Railway Authorities; and, if he wishes, the Honourable Member is still in a position to say that he will give sympathetic consideration to the matter, Sir. I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

The Honourable Sir Joseph Bhole: Sir, this is not a case in which an appeal lies to the Railway Board; but I can assure my Honourable friend that, in view of the very special circumstances of this case, the Railway Board will look into the matter.

Mr. S. C. Mitra: Sir, I beg leave of the House to withdraw the motion, in view of the assurance given.

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

First Class Railway Station for Cuttack.

Mr. B. Das: Sir, I move:

"That the demand under the head 'Railway Board' be reduced by Rs. 100"—(First class Railway Station for Cuttack, which is going to be the Capital of the new Province of Orissa.)

Mr. Sitakanta Mahapatra: Sir, I support the motion brought forward by my Honourable friend, Mr. B. Das.

The Honourable Sir Joseph Bhole: Sir, my Honourable friend has shown no grounds for his motion, and I regret, therefore, I am not able to give him any satisfactory reply.

Mr. B. Das: If the Honourable the Railway Member would become the Governor of my Province,—Orissa—he would know the grounds on which I moved my motion, as he will have to descend steps holding the handle bars of carriages. Raised platform and a first class station are required.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

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

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 8,45,000 be granted to the Governor General in 5 P.M. Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Railway Board'."

The motion was adopted.

DEMAND No. 2—AUDIT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 12,95,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 3—MISCELLANEOUS EXPENDITURE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 10,60,000 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, 1935, in respect of 'Miscellaneous expenditure'."

The motion was adopted.

DEMAND No. 4—REFUNDS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 12,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Refunds'."

The motion was adopted.

DEMAND No. 5—PAYMENTS TO INDIAN STATES AND COMPANIES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 3,37,00,000 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, 1935, in respect of 'Payments to Indian States and Companies'."

The motion was adopted.

DEMAND No. 6-A—WORKING EXPENSES—MAINTENANCE OF STRUCTURAL WORKS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 8,45,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Working Expenses—Maintenance of Structural Works'."

The motion was adopted.

DEMAND No. 6-B—WORKING EXPENSES—MAINTENANCE AND SUPPLY OF LOCOMOTIVE POWER.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 16,61,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Working Expenses—Maintenance and Supply of Locomotive Power'."

The motion was adopted.

DEMAND No. 6-C—WORKING EXPENSES—MAINTENANCE OF CARRIAGE AND WAGON STOCK.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 5,63,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Working Expenses—Maintenance of Carriage and Wagon Stock'."

The motion was adopted.

DEMAND No. 6-D—WORKING EXPENSES—MAINTENANCE OF FERRY STEAMERS AND HARBOURS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 27,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Working Expenses—Maintenance of Ferry Steamers and Harbours'."

The motion was adopted.

DEMAND No. 6-E—WORKING EXPENSES—EXPENSES OF TRAFFIC DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 10,30,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Working Expenses—Expenses of Traffic Department'."

The motion was adopted.

DEMAND No. 6-F—WORKING EXPENSES—EXPENSES OF GENERAL DEPARTMENTS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,58,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Working Expenses—Expenses of General Departments'."

The motion was adopted.

DEMAND No. 6-G—WORKING EXPENSES—MISCELLANEOUS EXPENSES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,07,90,000 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, 1935, in respect of 'Working Expenses—Miscellaneous Expenses'."

The motion was adopted.

DEMAND No. 6-H—WORKING EXPENSES—ELECTRIC SERVICE DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,17,30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Working Expenses—Electric Service Department'."

The motion was adopted.

1934

LEGISLATIVE ASSEMBLY.

[24TH FEB. 1934.]

DEMAND NO. 7—WORKING EXPENSES—APPROPRIATION TO DEPRECIATION FUND.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 13,65,00,000 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, 1935, in respect of 'Working Expenses—Appropriation to Depreciation Fund'."

The motion was adopted.

DEMAND NO. 8—INTEREST CHARGES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 2,83,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Interest Charges'."

The motion was adopted.

DEMAND NO. 9—TEMPORARY WITHDRAWALS FROM DEPRECIATION FUND.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 5,33,22,000 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, 1935, in respect of 'Temporary Withdrawals from Depreciation Fund'."

The motion was adopted.

DEMAND NO. 11—NEW CONSTRUCTION.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 11,00,000 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, 1935, in respect of 'New Construction'."

The motion was adopted.

DEMAND NO. 12—OPEN LINE WORKS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 13,22,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Open Line Works'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 26th February, 1934.

LEGISLATIVE ASSEMBLY.

Monday, 26th February, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MEMBER SWORN.

Mr. Kodikal Sanjiva Row, M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

DELAY IN THE FURNISHING OF RESULTS OF EARNINGS BY THE RAILWAY CLEARING ACCOUNTS OFFICE.

258. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that the net results of earnings have been furnished by the Railway Clearing Accounts Office late by about a week during the last four or five months, due to which accounts of the other railways were delayed, and that the object of early closing of accounts has been nullified?

(b) Will Government please state the reasons for the delay?

Mr. P. R. Rau: (a) and (b). I understand that there has been some delay in communicating the net results of earnings varying from two days to a week and that it was due to the abnormal number of absentees in September, October and November, 1933, on account of Malaria.

PEONS KEPT BY CERTAIN OFFICERS OF THE RAILWAY CLEARING ACCOUNTS OFFICE FOR THEIR PRIVATE WORK.

259. ***Pandit Satyendra Nath Sen:** Is it a fact that certain officers of the Railway Clearing Accounts Office are keeping one or two peons and chowkidars for their private use in their bungalows?

Mr. P. R. Rau: The reply is in the negative.

ARREARS OF WORK IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

260. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that work in the Railway Clearing Accounts Office is falling into arrears?

(b) If so, will Government please state the reasons for it, and the action taken to set the matter right?

Mr. P. R. Rau: (a) and (b). I am informed that there are some slight arrears due chiefly to the large number of absentees on account of malaria in the last quarter of 1933. The Director is taking steps to reduce this and no special action on the part of Government is called for.

OFFICERS IN THE RAILWAY CLEARING ACCOUNTS OFFICE HAVING NO
EXPERIENCE OF TRAFFIC ACCOUNTS.

261. ***Pandit Satyendra Nath Sen**: Is it a fact that most of the officers employed in the Railway Clearing Accounts Office have had no past experience of Traffic Accounts?

Mr. P. R. Rau: No.

INDIANISATION OF THE INDIAN AIR FORCE.

262. ***Mr. Muhammad Muazzam Sahib Bahadur**: (a) Will Government be pleased to state what steps, if any, they have taken to Indianize the Indian Air Force?

(b) What is the total expenditure incurred on the Indian Air Force?

(c) Is it a fact that a substantial part of the amount budgeted for the maintenance of the Indian Air Force at Karachi is employed for purposes of the Royal Air Force at Karachi?

(d) What are the total amounts which are disbursed respectively in the shape of salaries to Europeans and Indians in the Indian Air Force?

Mr. G. R. F. Tottenham: (a) The Indian Air Force by its constitution is an entirely Indian service.

(b) The progress of expenditure on the Indian Air Force has been as follows:

	Rs.
1930-31	43,000
1931-32	1,16,000
1932-33	2,54,000

The estimated expenditure for the current year is Rs. 6,00,000 and for next year Rs. 9,34,000.

(c) No: rather the reverse: part of the money provided for Royal Air Force purposes has been used to equip the Indian Air Force.

(d) There are no Europeans in the Indian Air Force: there are only a few Royal Air Force officers and men lent for instructional duties: and these will gradually be withdrawn.

DISCONTENT AMONG THE APPRENTICE-MECHANICS IN THE INDIAN AIR
FORCE.

263. ***Mr. Muhammad Muazzam Sahib Bahadur**: (a) Are Government aware that there is a growing dissatisfaction in the country as a result of the harsh treatment accorded to the Indian staff, such as apprentice-mechanics and others in the Indian Air Force?

(b) Is it a fact that as many as ten to twelve apprentice-mechanics were discharged a year or so after recruitment?

(c) Has the number been since replaced and if not, why not?

(d) Is it a fact that the apprentice-mechanics were recruited through the Railway Board, and that this practice is now given up? If so, what is the agency through which future recruitments will be made?

(e) Are Government aware that the present state of discontent among the apprentice-mechanics serving at Karachi is such that they prefer to obtain a discharge from service?

(f) Are Government aware that the authorities concerned have failed to hold the annual examination for the last batch of apprentice-mechanics and as such they are kept back from the promotions which they would have otherwise earned?

(g) Are Government aware that the attitude of the authorities at the Karachi Air Base towards the Indian staff in the Indian Air Force has created the impression that sooner or later the Indian element would be pronounced incompetent for Air Force services?

Mr. G. R. F. Tottenham: (a) Government are not aware of the dissatisfaction referred to.

(b) Yes: they were discharged because they refused when called upon to carry out the conditions which they accepted on enrolment.

(c) Yes.

(d) The earlier apprentices were recruited by the Royal Air Force authorities with the assistance of the Railway Board, but all recruiting arrangements are now in the hands of the Air Force authorities themselves.

(e) No.

(f) There has been some delay due to service reasons, but the date of promotion of those who pass will not be affected thereby.

(g) Certainly not. Every endeavour is being made to train Indian personnel to a stage of efficiency equal to that of the Royal Air Force.

ARREST OF MIR ABDUL AZIZ KHAN KURD AND KHAN ABDUL SAMAD KHAN
ACHAKZAI.

264. ***Seth Haji Abdoola Haroon**: (a) Is it true that Mir Abdul Aziz Khan Kurd and Khan Abdul Samad Khan Achakzai have been arrested for their recent propaganda, demanding reforms in the Baluchistan Province after their attendance in the All-India Baluch Conference at Hyderabad Sind?

(b) Will Government be pleased to state whether both the above mentioned arrested men will be tried in an ordinary criminal court and be granted the same facilities for defending themselves and engaging a counsel as is done usually in courts in other parts of British India?

Mr. H. A. F. Metcalfe: Information is being obtained from the Local Administration and will be given to the House as soon as it is received.

RESOLUTIONS PASSED BY THE ALL-INDIA BALUCH CONFERENCE.

265. ***Seth Haji Abdoola Haroon**: (a) Will Government be pleased to state whether a copy of the resolutions passed by the All-India Baluch Conference has been received by them, and what attitude they propose to take regarding the reforms in that province?

(b) Will Government be pleased to state whether it is intended to treat that province on the same lines as those of the North-West Frontier Province under the new reforms?

(c) Will Government be pleased to state the proposals of the Government of India to the Secretary of State or the Joint Parliamentary Committee for that province, and will they be pleased to lay on the table a copy of the correspondence which passed between the Government of India and the British Government?

The Honourable Sir B. L. Mitter: (a) Government have seen certain resolutions on the subject of reforms for Baluchistan which were passed by the All-India Baluch Conference held in December, 1933. It is presumably to these resolutions that the Honourable Member refers.

(b) and (c). The attention of the Honourable Member is invited to Proposals 56—59 and Part XIII of Appendix IV of the White Paper to which I have nothing to add.

LOSS TO RAILWAYS DUE TO THE RECENT EARTHQUAKE IN INDIA.

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

- (a) whether they have got a rough estimate of the extent of loss to railways due to the recent earthquake in India;
- (b) if so, the amount of money involved in such loss;
- (c) in what ways such loss is intended to be met?

Mr. P. R. Rau: (a), (b) and (c). I would refer the Honourable Member to the Memorandum laid before the Standing Finance Committee for Railways, which contains the available information on the subject. It will be found at page 29 of Volume X—No. 6—of the Proceedings of the Meeting of that Committee, which was held on the 2nd February, 1934.

DAMAGE TO THE HARDINGE BRIDGE AT SARA ON THE EASTERN BENGAL RAILWAY.

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

- (a) the extent of damage that has been caused to the Hardinge Bridge at Sara on the Eastern Bengal Railway by ravages of floods;
- (b) how such loss is intended to be met;
- (c) the amount that is likely to be spent in making good the damage;
- (d) how many officers of the Engineering Department are on deputation at Paksey at the present moment;
- (e) how many Engineering officers there used to be normally at Paksey before;
- (f) from what different places these additional officers have been recruited; and
- (g) how the places of these officers sent on deputation have been filled up?

Mr. P. R. Rau: (a), (b) and (c). I would refer the Honourable Member to the Memoranda laid before the Standing Finance Committee for Railways, which will be found at pages 25 to 28 of Volume X—No. 6—of the Proceedings of the Meeting held on the 2nd February 1934, and at page 3 of Volume X—No. 7—of the Proceedings of the Meeting held on the 13th February 1934.

(d) Six officers are at present employed solely in connection with work on the Hardinge Bridge.

(e) Only one Assistant Engineer used to be employed solely on the maintenance of the bridge, but he was placed under the Executive Engineer in charge of the Paksey District who was also partly employed on the bridge work.

(f) and (g). The five additional posts have been filled by permanent engineering officers of the Eastern Bengal Railway, and their places on the Open Line will be filled, as far as may be found necessary, by the promotion of suitable subordinates to the Lower Gazetted Service.

REVISION OF PENSION RULES.

268. *Mr. Sitakanta Mahapatra: (a) Will Government be pleased to state if they have arrived at any final decision as regards revision of their pension rules? If so, what?

(b) If the reply to part (a) be in the negative, when approximately do they expect to arrive at a decision?

The Honourable Sir George Schuster: (a) I would refer the Honourable Member to the reply given on the 18th September, 1933, to unstarred question No. 108 by Rao Bahadur M. C. Rajah. The question of the necessity for framing new pension rules for those in the category of new entrants is still under consideration.

(b) A decision is likely to be arrived at very shortly.

BANKURA DAMODAR RIVER RAILWAY.

269. *Mr. Amar Nath Dutt: (a) Will Government be pleased to state what is the capital outlay of the Bankura Damodar River Railway?

(b) Who are the managing agents of the Railway?

(c) Is it a guaranteed line? If so, for what period has the guarantee been given?

(d) Had Government to pay anything for guarantee for the line? If so, what is the amount that has been paid up till now?

Mr. P. R. Rau: (a) The total capital outlay on the line at the end of 1932-33 was Rs. 40 lakhs.

(b) Messrs. McLeod and Co., Calcutta.

(c) The line was constructed on a guarantee of $3\frac{1}{2}$ per cent. on the paid up share capital.

(d) Under the terms of the guarantee substantial amounts have had to be paid by Government since 1917-18. The total to the end of 1932-33 amounts to about 21½ lakhs.

BANKURA DAMODAR RIVER RAILWAY.

270. *Mr. Amar Nath Dutt: (a) When was the Bankura Damodar River Railway opened for traffic, and when was the construction taken in hand?

(b) Did the line ever pay the guaranteed dividend since its opening? If so, for how many years?

(c) Have Government ever enquired into the causes of the line being not paying? If so, what are the causes?

(d) Is it a fact that the line abruptly ends at a place at its eastern end and that there is no place of importance so far as commerce and traffic is concerned?

(e) Are Government aware that unless the line joins with some other railway line, there is no possibility of increased traffic?

(f) Do Government propose to connect the line with the East Indian Railway at some place near Burdwan to make the line paying?

(g) Do Government propose to extend the line upto Arambagh, an important sub-divisional town?

Mr. P. R. Rau: (a) The construction of the railway was sanctioned in May, 1914, and the whole line was opened for traffic in June, 1917.

(b) I am sorry to say that the line has never yet earned enough to make the guarantee clause inoperative.

(c) Enquiries have been made from time to time. The unremunerativeness of the line appears to be mainly due to inadequate traffic, recently intensified by increasing bus competition.

(d) The eastern terminus was, I understand, selected after careful survey and full consideration of the merits of the alternative alignments, on the understanding that it would open out a tract of country which is well populated and produces large quantities of grain.

(e) The information at present in the possession of Government does not enable them to come to a definite opinion on this question.

(f) and (g). The extensions referred to have not been considered; but my Honourable friend mentioned this to me recently and I am having the position examined. I should add that the Government of Bengal opposed a proposal made in the past for an extension from Sehare to Burdwan, on the ground that no obstruction to the flow of flood water over the country on the right bank of the Damodar River can be permitted.

Mr. Amar Nath Dutt: May I know with reference to the answer to part (b), whether the line ends in a village of any importance, either commercially or for the purpose of pilgrimage, or in other ways?

Mr. P. R. Rau: My Honourable friend is in a much better position to answer that question than I am.

BANKURA DAMODAR RIVER RAILWAY.

271. ***Mr. Amar Nath Dutt:** (a) Are Government aware that people prefer bullock carts and motor lorries for transport to the Bankura Damodar River Railway? If so, are Government aware of the reasons?

(b) Are Government aware that the employees of the Railway do not care for the comforts of the travelling public and are often discourteous and arrogant in their behaviour?

(c) Have there been any cases in law courts between the railway employees and the travelling public? If so, how many?

Mr. P. R. Rau: (a) and (b). Government have not had any representations on the subject.

(c) Very probably. I am not aware of any railway which is not often a party to law suits.

Mr. Amar Nath Dutt: Considering the length of the line, the number of law suits is abnormal.

Mr. P. R. Rau: Possibly. If so, the local bar has reason to congratulate itself.

RULES AND REGULATIONS OF THE BANKURA DAMODAR RIVER RAILWAY.

272. ***Mr. Amar Nath Dutt:** (a) Are there any printed rules and regulations of the Bankura Damodar River Railway?

(b) Are they offered for sale to the public?

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

(b) No.

LOSS IN TRAFFIC ON THE BANKURA DAMODAR RIVER RAILWAY.

273. ***Mr. Amar Nath Dutt:** (a) Are Government aware that much of the loss in traffic on the Bankura Damodar River Railway is due to inefficient management and want of due consideration for the safety of goods and comfort of the travelling public?

(b) Do Government propose to institute an enquiry to find out how the line can be made paying?

Mr. P. R. Rau: (a) Government have no reason to think so.

(b) The question of reducing working expenses is examined by Government from time to time. I might add that the latest year for which results are available, shows an improvement in the position as compared with the past, the gross earnings having for the first time since 1926-27, exceeded the working expenses, and the guaranteed interest recoverable from Government being reduced from an average of Rs. 1,97,000 in the previous four years to Rs. 1,38,000.

INJURY TO A LADY PASSENGER BETWEEN SALEM JUNCTION AND SALEM TOWN.

274. ***Mr. K. P. Thampan:** (a) Will Government be pleased to state whether they are aware that on the 14th October, 1933, while the Passenger Train No. 387 was going from Salem Junction to Salem Town, the leaf of the level crossing gate flung open as it was not properly fastened and smashed the right arm of a lady passenger when she extended it to throw out something?

(b) Is it a fact that this compartment was next to the chief guard's van?

(c) Is it a fact that although the alarm chain was pulled by several people, the train was not stopped until it reached the next station?

(d) Are Government aware that although the passenger became unconscious, neither the guard nor the Station Master of Salem Town rendered any help to the passenger in spite of requests?

(e) Are Government aware that even after reaching the Salem Town Station neither the Station Master nor the guard cared to obtain medical assistance to the passenger?

(f) Are Government aware that no first-aid was rendered for the full hour?

(g) Is there a rule that every train carrying passengers should have a first-aid box and that all running staff should be first-aiders? If so, did this train carry first-aid appliances?

(h) Are Government aware that if the train had been stopped at the level-crossing the patient might have been taken to the Government Headquarters Hospital, which is only a furlong away?

(i) Was there a joint enquiry over this accident? If so, what was the result of the enquiry?

(j) Is it not a fact that the level-crossing gates are made to open towards the line only at stations which are interlocked, and that this gate is not interlocked?

(k) Has the Railway paid any compensation to the injured? If not, why not?

Mr. P. R. Rau: Government have no information but have called for a report from the Agent, South Indian Railway, and I shall lay a reply on the table on its receipt.

DISCHARGE OF EMPLOYEES ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

275. ***Mr. K. P. Thampan:** (a) Has the attention of Government been drawn to the case of one Balasundaram, an employee of the Madras and Southern Mahratta Railway, who was discharged, published at page 219 of the *Indian Railway Magazine* in its issue for August, 1933?

(b) Are Government aware that of late there have been several cases of discharge on the Madras and Southern Mahratta Railway wherein the man concerned is simply told that "services have been terminated in accordance with the terms of your agreement, clause 7"?

(c) Are Government aware that there is considerable revolt of feeling against the arbitrary use of this clause of the Service Agreement which is regarded as a "bond of slavery"?

(d) Are Government aware that it was to check the arbitrary use of this clause that rules were framed requiring a charge-sheet to be given and enquiry held before discharging a man?

Mr. P. R. Rau: (a) Government have seen the article referred to on page 219 of the *Indian Railway Magazine*.

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

(d) If the Honourable Member refers to the Railway Board rule on the subject, it was framed to lay down a definite procedure in regard to discharges on State-managed Railways.

Mr. K. P. Thampan: May I know whether the procedure laid down there was followed in this instance?

Mr. P. R. Rau: My Honourable friend has not, I am afraid, realised that the power of interference which Government possess in Company-managed Railways is strictly limited by the contracts.

CONVERSION OF THE NOAKHALI HEAD POST OFFICE INTO A SUB-POST OFFICE.

276. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that the Cooch-Bihar and Noakhali Head Post Offices in the Bengal and Assam Circle were converted last year into Sub-Post Offices?

(b) Is it also a fact that the Cooch-Bihar Post Office has again been raised to the status of a Head Office from January, 1934?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state why the Noakhali Sub-Post Office has not been changed into a Head Office?

(d) Is it not a fact that post offices in the headquarter station of a district are generally Head Post Offices? If so, why has this post office been converted into a sub-office?

The Honourable Sir Frank Noyce: (a) to (d). Certain information has been called for and a reply will be placed on the table in due course.

FINANCIAL ADVISER, POSTS AND TELEGRAPHS, AND DEPUTY DIRECTOR GENERAL OF FINANCE.

277. ***Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state what are the duties of the Financial Adviser, Posts and Telegraphs, and of the Deputy Director General of Finance?

(b) Who is the Deputy Director General, Finance, now and what is his pay? Has he got any experience about finance?

(c) What is the reason for the appointment of Deputy Director General, Finance, when there is a Financial Adviser to advise the Director General of Posts and Telegraphs in financial matters?

The Honourable Sir Frank Noyce: (a) As regards the duties of the Financial Adviser, Posts and Telegraphs, a reference is invited to the reply given in this House by the Honourable Sir George Schuster on the 11th September, 1931, to part (a) of Mr. S. C. Mitra's starred question No. 174. The Deputy Director-General, Finance, is the controlling officer of the Budget and Finance section of the Director-General's Office. He is also required to give financial advice on all matters of ordinary importance and every day administration of the Posts and Telegraphs Department and help in the detailed examination from the financial standpoint of the more important questions and so relieve the Financial Adviser.

(b) Mr. Zahid Hussain is the present Deputy Director-General, Finance, and his pay is Rs. 1,800 per mensem. The reply to the second part of the question is in the affirmative.

(c) Experience has shown that the amount of work devolving on the Financial Adviser is more than can be properly attended to by one officer.

ACCELERATION IN THE SPEED OF THE 20 DOWN EXPRESS OF THE EAST INDIAN RAILWAY.

278. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that 19 Up (Benares Cantonment Howrah) Express Train of the East Indian Railway takes 14 hours to reach Benares Cantonment from Howrah while in the return journey 20 Down Express takes 16 hours to reach Howrah from Benares?

(b) Is it a fact that in the down journey the train stops at many stations, where it does not in the up journey?

(c) Is it also a fact that in the down journey it is overcrowded and it reaches Howrah station at 7.46 hours, which is not a convenient hour?

(d) Do Government propose to take steps so that the speed of the train is accelerated to enable it to reach Howrah station at least one and a half hour before this?

(e) If not, why not?

Mr. P. R. Rau: (a) and (b). Yes.

(c) No complaints about overcrowding have been received by Government. They cannot see why an arrival of 7.46 hours at Howrah should be considered inconvenient to the public.

(d) and (e). I regret it is not possible for Government to take an active part in the detailed preparation of time-tables. I will, however, bring the Honourable Member's question to the notice of the Agent, East Indian Railway.

SPEED OF CERTAIN TRAINS ON THE EAST INDIAN RAILWAY.

279. *Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that local trains between Ranaghat and Calcutta on the Eastern Bengal Railway take one hour and 42 minutes to reach Ranaghat from Calcutta, or *vice-versa*?

(b) Is it a fact that 88 and 90 Down Burdwan-Howrah local trains, two trains on the East Indian Railway, which are considered as very fast trains, take two hours or more to reach Howrah from Debipur, which is 47 miles from Howrah like Ranaghat on the Eastern Bengal Railway?

(c) Will Government please state why speed of these two trains is not accelerated as is done on the Eastern Bengal Railway?

(d) Is it a fact that even a slow local train takes two hours ten minutes to reach Ranaghat from Calcutta while a slow local train takes two hours forty-five minutes and even more to reach Debipur from Howrah?

(e) Is it a fact that there are about ten trains between Ranaghat and Calcutta which stop at all stations while there are only seven trains between Burdwan and Calcutta *via* Bandel Junction which stop at all stations?

(f) Will Government be pleased to state why train service has been curtailed in this way? Is it a fact that in the evening although there are two down trains from Burdwan, only one very slow train touches at all stations, while another touches at some of the important stations only? If so, why?

Mr. P. R. Rau: (a) The time taken by the local trains from Calcutta to Ranaghat and *vice-versa* varies from one hour and 35 minutes to 2 hours and 30 minutes and from one hour and 48 minutes to two hours and 16 minutes, respectively.

(b) Nos. 88 and 90 Down Passenger trains take two hours and three minutes and two hours, respectively, from Debipur to Howrah, the distance between which is $1\frac{1}{2}$ miles more than the distance between Ranaghat and Calcutta.

(c) I am conveying the suggestion to the Railway administration.

(d) As already stated, the time taken by the local trains from Calcutta to Ranaghat varies from one hour and 35 minutes to two hours and 30 minutes whereas the time taken by the local trains from Howrah to Debipur varies from 1 hour 57 minutes to 3 hours and 7 minutes.

(e) There are 11 trains between Ranaghat and Calcutta and eight trains between Burdwan and Howrah which stop at all stations.

(f) I am sure my Honourable friend will agree that it is not possible for Government to take any part in the detailed preparation of time-tables. I will, however, bring the Honourable Member's question to the notice of the Agent, East Indian Railway.

PAYMENT MADE TO CERTAIN NAVIGATION COMPANIES FOR THE CARRIAGE OF MAILS BETWEEN CERTAIN PORTS.

280. *Mr. D. K. Lahiri Chaudhury: (a) Will Government please state what amount was paid to (i) Messrs. Peninsular and Oriental Steam Navigation Company in the year 1932-33 for conveying mails between India and England, and (ii) Messrs. British India Steam Navigation Company for conveying mails between Calcutta and Rangoon, Madras and Rangoon and Chittagong and Rangoon?

(b) What is the agreement with the above companies for carrying mails?

(c) How long will this agreement continue?

The Honourable Sir Frank Noyce: (a) (i) The Honourable Member's attention is drawn to the reply given on the 20th March, 1933, to part (a) of Mr. S. C. Mitra's question No. 777 in the Legislative Assembly. The provisional payment made to the British Post Office on account of the conveyance of letter mails by the steamers of the Peninsular and Oriental Steam Navigation Company during 1932-33 was £28,000. This amount will be adjusted if necessary when the actual sum due has been calculated. Information regarding the sea transit charges on parcels conveyed by the Company's steamers from India during the year 1932-33 is being obtained, and will be placed on the table.

(ii) The total amount paid to the British India Steam Navigation Company for all the services maintained by the Company in 1932-33 was Rs. 15,18,000. The contract under which this payment was made does not specify the portion of the total sum allocated to the lines referred to by the Honourable Member and Government are not in possession of this information.

(b) The contract for the Eastern Mail Service is between His Majesty's Postmaster General and the Peninsular and Oriental Steam Navigation Company. The main features of the arrangement with the British Post Office are set out in the statement placed on the table of the Assembly on the 28th January, 1929, in reply to part (b) of unstarred question No. 151 by Khan Bahadur Sarfaraz Hussain Khan. A copy of the Agreement with the British India Steam Navigation Company will be found in the Library of the House.

(c) The contract with the Peninsular and Oriental Steam Navigation Company is not determinable before the 31st January, 1937. The Agreement entered into with the British India Steam Navigation Company in 1924 was due to expire on the 31st January, 1934, but arrangements have been

made with the British India Steam Navigation Company and the Bengal Burma Steam Navigation Company for a continuance of the services in accordance with the provisions of that agreement without any increase of the aggregate payments for a short further period of two years.

ENGINEERING BRANCH OF THE TELEGRAPH DEPARTMENT.

281. ***Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish a statement showing the number of (i) Divisional Engineers, (ii) Assistant Divisional Engineers, (iii) Construction Engineers and (iv) other Engineering Officers of the Telegraph Engineering Department?

(b) How many of these officers were recruited in England and how many in India?

(c) What are the duties of Divisional, Assistant Divisional and Construction Engineers?

(d) Is it a fact that the Telegraph Establishment Enquiry Committee have recommended unification of different Engineering branches of the Telegraph Department?

(e) Will Government be pleased to state whether they have accepted their recommendation?

(f) If not, why not?

(g) Has there been any retrenchment in the Engineering Branch of the Telegraph Department? If so, how many officers have been retrenched? If not, why not?

The Honourable Sir Frank Noyce: (a) The Honourable Member will find the information asked for in the Finance Department notifications of the 4th January, 1934, published in the Gazette of India, Part I, dated the 6th January, 1934. There is no special grade for Construction Engineers: six officers of the grades of Assistant Divisional Engineers, Assistant Engineers, Telegraphs, and Deputy Assistant Engineers, Telegraphs, are however, generally employed on construction work.

(b) 22 officers were recruited in England and 122 officers in India. 13 posts are vacant.

(c) Divisional Engineers direct all executive operations within their own divisions and are responsible for their efficient administration. Assistant Divisional Engineers generally hold charge of Engineering sub-divisions, in which they are responsible for the proper maintenance of lines and the execution of works. They are sometimes employed on construction work or other special works according to requirements.

There are no officers designated as Construction Engineers, but as I have explained officers of the ranks of Assistant Divisional Engineers, Assistant Engineers, or Deputy Assistant Engineers, are sometimes employed on construction work.

(d) The Honourable Member is referred to the Committee's report, a copy of which is in the Library of the House.

(e) and (f). The report is now under the examination of the Director-General and Government have not yet accepted any of the recommendations in it.

(g) Yes, 20 posts of officers have so far been retrenched.

RECRUITMENT OF READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

282. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that a circular was issued from the office of the Controller of Printing and Stationery, India, that in case of future promotions to the vacant posts of junior readers a qualifying examination will be held among copyholders and revisers and only senior hands declared qualified will be promoted first in preference to qualified juniors and to fill a few vacant posts of junior readers a qualifying test was held very recently? If so, what was the result of the said test and how many of the copyholders were declared qualified and how many of the vacant posts of junior readers were filled by the qualified copyholders and how many were not?

(b) Is it not a fact that out of five vacant posts of junior readers only three have been filled from among the qualified men and the remaining two are being filled by outside recruits? If so, why?

(c) Will Government kindly state what is the justification for holding a qualifying test, and how are the qualified men who have been deprived of their claim to promotion, to be compensated?

(d) Is it not a fact that in all the Government Departments and their subordinate offices, outside recruitments are made only in the lowest grade? If so, why instead of recruiting men in the lowest grade of the Reading Branch, i.e., in the post of a copyholder of the Government of India Press, New Delhi, outside recruits are taken in a higher grade, i.e., in posts of junior readers?

The Honourable Sir Frank Noyce: (a) No. For the second part of this question I refer the Honourable Member to my reply given on the 19th February, 1934, to parts (b) and (f) of Lala Rameshwar Prasad Bagla's starred question No. 163.

(b) No. The second part does not arise.

(c) The examination was held for the purpose of selecting the most efficient men for the post of readers. The latter part does not arise.

(d) No. The second part does not arise.

EXAMINATION FOR RECRUITMENT IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

283. ***Mr. D. K. Lahiri Chaudhury:** (a) Will Government kindly lay on the table a statement showing the aggregate pass marks of Departmental qualifying examinations of various departments and subordinate offices under them as well as S. A. S., P. S. C., S. S. B., A. G. P. & T., etc., and other important examinations?

(b) Is it a fact that many old hands in the various departments and subordinate offices including the office of the Controller of Printing and Stationery have been exempted from the Public Service Commission examination and even from any qualifying tests in case of promotion from one grade to another? If so, why have not the senior copyholders of the Government of India Press, New Delhi, been exempted from such qualifying test?

(c) Is it not also a fact that at the time of making officiating arrangements in the month of February, 1933, the Manager expressed his opinion that the old hands need not be required to appear at a qualifying test? If so, why were the old hands forced by the Manager against his own decision to sit at the examination with junior and temporary copyholders?

The Honourable Sir Frank Noyce: (a) I regret that I cannot furnish the information required by the Honourable Member as its collection would entail an amount of time and trouble disproportionate to the result.

(b) Exemptions are only granted in cases where individuals have special claims and are considered fit to discharge the duties of the posts to which it is proposed to appoint them. The question of exemption in the case of copyholders did not arise.

(c) Not so far as I am aware. The second part does not arise.

EXAMINATION FOR RECRUITMENT IN THE GOVERNMENT OF INDIA PRESS,
NEW DELHI.

284. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it not a fact that in Departmental qualifying test of various departments and subordinate offices under the Government of India only permanent hands of certain years' standing are allowed to compete and not the junior and temporary hands?

(b) Is it also not a fact that they are allowed to sit at the said test for at least three or four times in case of failure? If so, why were all copyholders (including very old hands, and temporary as well as men who have no substantive post), forced to sit at the qualifying test for promotion to the junior reader's and reviser's grade, recently held by the Manager of the Government of India Press, New Delhi? Is it a fact that repeated requests were made by the old hands, individually and collectively to their representative in the Works Committee, for exemption from such test, in view of the Manager's decision in February, 1933, and that the old hands protested against the inclusion of junior and temporary hands?

(c) Is it also a fact that only two chances are allowed to qualify copyholders and revisers for promotion during their whole career? If so, why has such injustice been done to them?

(d) Is it a fact that at the time of the test examination for copyholders and revisers the Manager declared neither full nor pass marks on the examination papers, but raised pass marks to a high level in consultation with the Assistant Manager, and declared 66 per cent. for proof reading and 93 per cent. for dictation as pass marks, and that such high percentages of pass marks have never been dreamt of in any departmental or university examinations?

(e) Is it not a fact that the representative of the Works Committee requested the Manager not to fix unprecedented percentages, and to lower the pass marks to 33 per cent. by following the procedure, observed, in other departments, and also to ascertain the facts from departments concerned? Did the Manager reply in the negative and say that he was prepared neither to follow any departmental procedure nor to ascertain the facts from any authority? If so, why?

(f) Is it not also a fact that the Manager is the sole authority to do anything he pleases and that the only appellate authority against him is the Controller of Printing and Stationery, and that facilities for appealing to the Secretary or the Honourable Member of the Department of

Industries and Labour have been taken away from industrial hands and the Controller of Printing and Stationery is vested with the sole power for final decision?

The Honourable Sir Frank Noyce: (a) and (b). I am not familiar with the practice followed by other Departments regarding the procedure for departmental qualifying tests which must depend on the requirements of the Department concerned. The procedure adopted by the Manager of the Delhi Press for the examination was adopted by him with a view to the special requirements of the Press. The latter part of part (b) does not arise in view of my reply to part (c) of question No. 283.

(c) The reply to the first part is in the negative. The second part does not arise.

(d) The attention of the Honourable Member is invited to the reply given by me on the 19th February, 1934, to part (h) of starred question No. 163 by Lala Rameshwar Prasad Bagla.

(e) The reply to the first and second parts is in the affirmative. As regards the last part, attention of the Honourable Member is invited to my reply to parts (a) and (b) of his question.

(f) The attention of the Honourable Member is invited to the reply given by me on the 22nd December, 1933, to Mr. S. G. Jog's unstarred question No. 374 in the Legislative Assembly.

EXAMINATION FOR RECRUITMENT IN THE GOVERNMENT OF INDIA PRESS,
NEW DELHI.

285. ***Mr. D. K. Lahiri Chaudhury:** (a) Will Government kindly state what was the result of the qualifying test of copyholders held by the Manager of the Government Press, New Delhi, in 1929, and what were the pass marks declared by him at that time when he promoted Messrs. Lachman Dass (since deceased) S. P. Shukla and J. K. Bose?

(b) Is it not a fact that at that time he expressed that "only proof reading" is essential for a junior reader's duty and the result was decided on proof reading only in preference to dictation?

(c) Is it not a fact that those promoted men were declared "qualified" on 37 per cent. marks in proof reading? If so, what was the justification for raising the pass marks to such a high level as 66 per cent. for proof reading and 93 per cent. for dictation in the qualifying test recently held?

(d) Is it not a fact that Messrs. Munwar Ali, S. K. Biswas, and George Lewis, copyholders, were promoted to posts of revisers only on account of their seniority? Was any qualifying test held for them at the time of their promotion? If not, why not?

The Honourable Sir Frank Noyce: (a), (b) and (c). I have no record of the particulars of the test referred to by the Honourable Member nor of the remarks that the Manager may have made in 1929. The latter part of (c) does not arise. I invite the Honourable Member's attention to the reply given to parts (a) and (b) of the preceding question.

(d) No qualifying test was considered necessary for promotion to the post of reviser. In this connection, I invite the attention of the Honourable Member to the reply given by me on the 28th March, 1933, to Mr. Bahadur M. C. Rajah's starred question No. 395 in the Legislative Assembly.

RECRUITMENT OF READERS IN THE GOVERNMENT OF INDIA PRESS,
NEW DELHI.

286. *Mr. D. K. Lahiri Chaudhury: Is it not a fact that in a circular issued by the Controller of Printing and Stationery it was definitely declared that promotion will be made to the posts of junior readers first from among the qualified hands according to seniority and that a second chance will be given to unqualified hands to compete with outside recruits—if necessity arose to recruit outsiders, and if the unqualified hands qualified themselves at the second test they will be given preference over outsiders? If so, was the order contained in the circular carried out by the Manager at the time of recent outside recruitment of junior readers? If not, why not?

The Honourable Sir Frank Noyce: I invite the attention of the Honourable Member to the reply given by me on the 19th February, 1934, to parts (a) and (e) of Lala Rameshwar Prasad Bagla's starred question No. 163.

MEMORIALS FROM THE COPYHOLDERS AND REVISERS OF THE GOVERNMENT
OF INDIA PRESS, NEW DELHI.

287. *Mr. D. K. Lahiri Chaudhury: (a) Will Government kindly state whether memorials from aggrieved copyholders and revisers of the Government Press, New Delhi, have been received by the Controller of Printing and Stationery, appealing against the injustice done to them by the Manager, and what action was taken on them?

(b) Do Government propose to instruct the Controller of Printing and Stationery to lower the pass marks at the tests by following one of the recognised examinations, when the memorials are dealt with by him? If not, why not?

The Honourable Sir Frank Noyce: (a) Yes. The memorials are under the consideration of the Controller of Printing and Stationery.

(b) No; because Government consider that the question is one for the Controller.

PROMOTION OF COPYHOLDERS IN THE GOVERNMENT OF INDIA PRESS
NEW DELHI.

288. *Mr. D. K. Lahiri Chaudhury: Is it not a fact that the qualifying test recently held by the Manager of the Government of India Press, New Delhi, for the revisers and copyholders was meant for promotion to only junior readers posts and not to revisers posts? If so, why were senior copyholders who are disqualified in the test, debarred from promotion to revisers' post as Messrs. Munawar Ali, S. K. Biswas and George Lewis then copyholders were promoted to such posts on account of the length of their service without sitting for any test?

The Honourable Sir Frank Noyce: Yes. The senior copyholders have not been given promotion as the results of the test show that they are quite incapable of undertaking the duties of a reviser. The three men named were promoted before the decision to hold qualifying tests.

MEN ON TEN HOURS BASIS IN THE GOVERNMENT OF INDIA PRESSES.

289. *Mr. D. K. Lahiri Chaudhury: Will Government please state how many men there are in all the Government of India Presses on ten hours basis, and how many days these men of each Press worked for full ten hours from the 15th April to the 15th October of this year? Is it not a fact that whether the men on ten hours basis of the Government of India Presses work for ten hours or not, they get their salaries intact throughout the year and even when they go on short or long leave? Will Government please state what is the idea of placing the Heads of Branches of the industrial establishment of Government Presses on ten hours basis when the workers work for eight hours only? Will Government further state what is the loss to Government by their not having worked for ten hours in New Delhi Press from April to October this year and how long will Government suffer this loss in these days of financial stringency?

The Honourable Sir Frank Noyce: No employees in the press are employed on a ten hours basis in the sense that that is their normal working day, but certain salaried employees may be required, when necessary, to work up to ten hours on any day without receiving any overtime allowance. These are the heads of industrial sections, e.g. head readers, senior readers, foremen, section holders, etc. I have no record of the number of days on which these men were retained for ten hours, and it would be in any case impossible for me to give particulars for a period the end of which has not yet been reached. The system was instituted partly in order to ensure that the men would have no interest in the amount of overtime work and partly because it was regarded as more suitable than they should be remunerated in the same manner as ordinary and salaried servants of Government who do not receive extra payment on account of extra pressure of work. The concluding part of the question does not arise as the pay of the men in question was not fixed on the assumption that they would be required to work for ten hours daily throughout the year.

MEN ON SIXTY HOURS BASIS IN THE GOVERNMENT OF INDIA PRESSES.

290. *Mr. D. K. Lahiri Chaudhury: Are Government aware that 54 hours a week have been proposed for factories in the Factory Act recently to be introduced in the Legislative Assembly? If so, is it the intention of Government to keep any man on sixty hours basis a week in the Government of India Presses? If they intend to keep such men on 60 hours basis a week, what will be their justification? If not, how will they deal with these men, whether they will be brought to 54 hours basis a week on reduced pay or they will be compulsorily retired?

The Honourable Sir Frank Noyce: The answer to the first part of the question is in the affirmative. I am unable to say what modifications will be made if the Act is passed beyond giving an assurance that its provisions will be duly observed.

RECRUITMENTS IN THE CENTRAL PUBLICATION BRANCH.

291. *Mr. Muhammad Anwar-ul-Azim: Will the Honourable Member in charge of the Department of Industries and Labour be pleased to state

whether it is a fact that recruitments are being made in the Central Publication Branch without following the established rules and regulations framed by Government?

The Honourable Sir Frank Noyce: I have no reason whatever to believe that this is the case.

RECRUITMENTS IN THE CENTRAL PUBLICATION BRANCH.

292. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that ever since the present Officiating Manager, Mr. C. V. d'Eca, took over charge, men have been recruited without subjecting the applicants to any qualifying test examination, as was done before while the office was at Calcutta?

(b) How many men in the clerical and assistants' grades have been recruited by the present officiating Manager, Mr. C. V. d'Eca?

(c) Were the posts, so filled up by the present officiating Manager, ever advertised in any newspaper?

(d) If so, when and in what newspapers? If not, why not?

(e) Is it a fact that the present officiating Manager has of late recommended certain men to the Controller of Printing and Stationery for promotion to the assistants' grade, stating therein that eligible senior men have declined to accept the offer of promotion?

(f) Will Government please state whether it is not a fact that some senior men in the clerical grade had actually expressed their willingness to accept the offer? If so, why were their claims overlooked at the time of final selection?

(g) Is it a fact that according to the rules of promotion in vogue in the Central Publication Branch, all cases of promotions are to be dealt with in consultation with the Deputy Controller of Stationery?

(h) Is it a fact that the combined gradation list maintained by the Deputy Controller of Stationery is not being followed in the matter of promotions in the Central Publication Branch nowadays? If so, why?

The Honourable Sir Frank Noyce: (a) Yes.

(b) During his tenure, four men have been recruited in the regular grades of assistants and clerks, but the appointments were made by the Controller of Printing and Stationery.

(c) and (d). No advertisement was necessary as there were sufficient applicants and men working on the day-extra establishment from which to select.

(e) Yes.

(f) Certain men expressed their willingness to accept a vacant appointment of assistant but they were not regarded as suitable for the post.

(g) and (h). The Deputy Controller of Stationery maintains the combined gradation list referred to by the Honourable Member and proposals for promotions or appointments to permanent or semi-permanent vacancies in certain branches of the Government of India Stationery and Printing Department are submitted through him to enable the Controller of Printing and Stationery to exercise an efficient check on all proposals for such promotions. Government have no reason to believe that the combined gradation list has failed to fulfil its purpose.

MOVE OF THE CENTRAL PUBLICATION BRANCH FROM CALCUTTA TO DELHI.

293. ***Mr. Muhammad Anwar-ul-Azim:** Is it a fact that the object of the move of the Central Publication Branch, professed by the Controller of Printing and Stationery in his proposal has not actually materialized?

The Honourable Sir Frank Noyce: The attention of the Honourable Member is invited to the reply given by me on the 21st November, 1933, to part (a) of Mr. S. C. Mitra's starred question No. 1095.

PROPOSAL FOR THE INCREASE OF STAFF IN THE CENTRAL PUBLICATION BRANCH.

294. ***Mr. Muhammad Anwar-ul-Azim:** (a) Will the Honourable Member in charge of the Department of Industries and Labour kindly state whether it is a fact that the officiating Manager, Mr. C. V. d'Eca, of the Central Publication Branch has sent up a proposal for increasing the clerical staff of the Central Publication Branch in the proposition submitted to the Controller of Printing and Stationery?

(b) Is it a fact that the officiating Manager, Mr. C. V. d'Eca, has proposed to make provision for the entertainment of 87 clerks of various grades?

(c) If so, what is the ground set forth by the Officiating Manager, Mr. C. V. d'Eca, for the increase of staff?

(d) Is it a fact that the present officiating Manager, Mr. C. V. d'Eca, ever since his assumption of office, has been harping on the inefficiency of the existing staff of the office?

(e) Do Government propose to enquire how far the inadequacy of the staff manifested in the officiating Manager's proposal for increase of staff, contributed to the inefficiency of the staff?

(f) Are Government aware that every one of the staff is overburdened with work?

The Honourable Sir Frank Noyce: (a), (b) and (c). No proposals on the subject have yet been received by Government.

(d) I have nothing to add to the reply given by me on the 21st November, 1933, to part (b) of Mr. S. C. Mitra's starred question No. 1102.

(e) Does not arise in view of the reply given to parts (a), (b) and (c) above.

(f) No.

INTRODUCTION OF NEW SYSTEMS IN ACCOUNTS.

295. ***Mr. Muhammad Anwar-ul-Azim:** (a) Did the Controller of Printing and Stationery obtain the approval of any office before introducing the new systems in accounts? If not, why not?

(b) Do Government propose to examine the position through an expert to see how far the object has fructified?

The Honourable Sir Frank Noyce: (a) I presume the Honourable Member refers to the system of accounts in the Central Publication Branch. If so, the facts are that the late Examiner of Government Press Accounts suggested the need for a simpler system of accounts in the

Branch and necessary steps have since been taken by the Controller for the introduction of such a system in consultation with the audit authorities.

(b) The system came into force recently and it is yet too early to say that the desired result has been achieved.

EXPENDITURE INCURRED BY THE CENTRAL PUBLICATION BRANCH FOR ENTERTAINING MEN ON DAILY WAGE BASIS.

296. ***Mr. Muhammad Anwar-ul-Azim:** Will the Honourable Member in charge of the Department of Industries and Labour be pleased to state what is the total expenditure incurred by the Central Publication Branch from April, 1933, to date on account of entertainment of men on daily wage basis?

The Honourable Sir Frank Noyce: Rs. 15,137 from April, 1933, to the 20th February, 1934.

DESPATCH OF BOOKS TO OVERSEAS STATIONS BY THE CENTRAL PUBLICATION BRANCH.

297. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that consignments of books to be despatched to stations overseas by the Central Publication Branch are sent to the Shipping and Clearing Section of the office of the Deputy Controller of Stationery, Calcutta, for onward transmission?

(b) If so, will Government please state the amount of money spent during the last eight months on account of freight and other incidental charges for sending the consignments from the Delhi Office of the Central Publication Branch to the office of the Deputy Controller of Stationery, Calcutta?

The Honourable Sir Frank Noyce: (a) Yes.

(b) Information is being collected and will be placed on the table of the House in due course.

VALUE OF GOVERNMENT PUBLICATIONS DESTROYED OR DISPOSED OF AS WASTE-PAPER.

298. ***Mr. Muhammad Anwar-ul-Azim:** What is the value of Government of India publications destroyed or disposed of as waste-paper on the basis of the cost of production as shown in the Annual Report of the Central Publication Branch for 1932-33?

The Honourable Sir Frank Noyce: It is not possible to state either the value or the real cost of the copies destroyed or disposed of as waste-paper. The only figures available are the prices of the publications which amount in the aggregate to Rs. 4,58,957. If the copies had not been printed, the saving to Government would have been only a fraction of this figure: for the figure is calculated by distributing the cost equally over all the copies of the publication, whereas the big element of cost is the setting up of the type, and the actual printing of extra copies is ordinarily a much less expensive matter.

RECRUITMENT OF SIKHS IN THE GOVERNMENT OF INDIA SECRETARIAT.

299. ***Sardar Sant Singh:** (a) Are Government aware that questions have been asked from time to time in this House on the subject of recognising the just claims of the Sikh community to an adequate representation in the various grades of the Government of India Secretariat appointments?

(b) Is it a fact that the assistant's grade in the Army, Legislative, Commerce and Industries and Labour (excluding Public Works Department) Departments still remains unrepresented by the Sikh community? If so, what steps do Government propose to take to continue their recruitment in conformity with the proportion required for this community?

(c) Will Government please state the number of temporary, officiating and permanent appointments in the assistant's grade filled up during the last five years by the Departments mentioned in part (b) above?

(d) If the answer to part (c) shows an inadequate recruitment from among the Sikhs, are Government prepared to give an assurance that while filling up future vacancies, the departments in question will take such action that Sikhs get their due share before long?

The Honourable Sir Harry Haig: (a) Yes.

(b), (c) and (d). The information is being collected and will be laid on the table of the House in due course.

NON-RECRUITMENT OF MUSLIMS IN THE NEW DELHI MUNICIPALITY.

300. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Is it a fact that eight unpaid apprentices were recruited in the office of the New Delhi Municipality?

(b) Is it a fact that not even a single Muslim has been recruited out of those eight apprentices? If so, why?

(c) Why is the policy of entertaining unpaid apprentices encouraged at all? Is there work enough for clerks, and if so, why are they not appointed as paid clerks?

Mr. G. S. Bajpai: (a) Yes.

(b) No.

(c) The policy of employing unpaid apprentices is being discouraged. No such appointments are now being made.

NON-RECRUITMENT OF MUSLIMS IN THE NEW DELHI MUNICIPALITY.

301. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Is it a fact that by the re-organization scheme in the electric department of the New Delhi Municipality only the non-Muslim subordinates and officials have been benefited to the detriment of the Muslim clerks?

(b) Will Government please place on the table a statement showing all the promotions that have been made during the last three months? Who is responsible for the injustice?

Mr. G. S. Bajpai: (a) If the Honourable Member will specify the scheme of reorganisation to which he refers, I shall be glad to make enquiries.

(b) There have been no promotions during the last three months.

NON-RECRUITMENT OF MUSLIMS IN THE NEW DELHI MUNICIPALITY.

302. *Maulvi Sayyid Murtuza Saheb Bahadur: Do Government propose enquiring into the matters set forth in the preceding questions and taking necessary steps to put an end to the present practice in the matter of appointing clerks?

Mr. G. S. Bajpai: Government do not consider that any action on their part is called for.

ANNUAL INCREMENT OF DAFTARIES IN THE BOOK-BINDING BRANCH OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

303. *Maulvi Sayyid Murtuza Saheb Bahadur: (a) Is it a fact that the daftaries attached to the book-binding branch of the Government Press get no annual increment and is it a fact that the daftaries of all other branches of the Government Press do have annual increment?

(b) Is it a fact that the daftaries of the book-binding branch get promotion only on the retirement or death of some daftaries in higher scale?

(c) Is it a fact that the above daftaries do not get any promotion at all for years together?

(d) Are Government prepared to remove the discrimination and place them on the same level as the daftaries of other branches of the Government Press?

The Honourable Sir Frank Noyce: (a) I presume the Honourable Member refers to binders and warehousemen employed in the Bindery and Warehouse Branch of the Government of India Press, New Delhi. If so, the facts are that these men are on fixed grades of pay ranging from Rs. 18 to Rs. 50 (Rs. 18 to Rs. 45 for new entrants), while the daftaries employed in the office of the Press are on a scale of Rs. 15— $\frac{1}{2}$ —20.

(b) and (c). When there are fixed grades of pay promotion from a lower to a higher grade is made as vacancies occur.

(d) No. Their case is not similar to that of the daftaries; and they would, on the whole, be less favourably treated than they are at present if the changes suggested were made.

UNSTARRED QUESTIONS AND ANSWERS.

ALLEGED PREFERENTIAL TREATMENT TOWARDS MUSLIMS IN THE EDUCATION DEPARTMENT, DELHI.

96. Bhagat Chandi Mal Gola: Is it a fact that complaints regarding preferential treatment towards the Muhammadans have appeared against the District Inspector of Schools, Delhi, in the *Local Tej* of the 25th November, 1933, and the 16th January, 1934? If so, will Government please state what action they propose to take in the matter? Is it a fact that he has been posted in Delhi for more than six years?

Mr. G. S. Bajpai: The reply to the first and the last parts of the question is in the affirmative. As regards the second part, the post being included in the Punjab cadre, the Punjab Government are contemplating the reversion of the present incumbent to the Punjab.

ALLEGED PREFERENTIAL TREATMENT TOWARDS MUSLIMS IN THE EDUCATION DEPARTMENT, DELHI.

97. Bhagat Chandi Mal Gola: Are Government aware of the complaints appearing in the *Daily Tej* of the 25th November, 1933, against the Education Department, Delhi, showing preferential treatment towards the Muhammadans and entire injustice to the Hindus (the majority community of the Delhi Province)? If so, what action do Government propose to take to remedy these irregularities?

Mr. G. S. Bajpai: The reply to the first part is in the affirmative. Government have asked for a report as regards the allegations made in the article referred to by the Honourable Member.

ABSENCE OF HINDUS IN THE GAZETTED STAFF OF THE EDUCATION DEPARTMENT, DELHI.

98. Bhagat Chandi Mal Gola: (a) Is it a fact that there is no Hindu among the gazetted staff of the Delhi Education Department? If so, will Government please state why the majority community of the Delhi Province, having more than 62 per cent. population, has been entirely deprived of its rights?

(b) Are Government aware that the present District Inspector of Schools, Delhi, is being replaced by another Muslim District Inspector of Schools and also of the fact that all the gazetted staff of the Delhi Education Department consists of Christians and Muhammadans only? If so, are Government prepared to fill this post by a Hindu Inspector of Schools, taking into consideration their provincial rights?

Mr. G. S. Bajpai: (a) The Honourable Member is referred to the reply given by me to Bhai Parma Nand's starred question No. 1063 on the 7th December, 1932, on this subject.

(b) The final selection of a successor to the present District Inspector of Schools, Delhi, has not yet been made. As regards the appointment of the next incumbent of this post the Honourable Member's attention is invited to the reply given in this House to part (f) of Mr. Maswood Ahmad's unstarred question No. 240 on the 5th December, 1933.

RECOMMENDATIONS OF THE WAR PENSIONS COMMITTEE.

99. Mr. S. G. Jog: Will Government be pleased to state the reasons for which pneumonia has been regarded by them as 'never attributable to military service' and the disability has been regarded as not coming under the domain of the phrase 'attributable to military service' used by the War Pensions Committee and accepted by Government under Recommendation No. V?

Mr. G. R. F. Tottenham: The question is being examined and a reply will be laid on the table in due course.

CENTRALISATION OF THE PUBLIC WORKS DEPARTMENT STORES.

100. Mr. Muhammad Anwar-ul-Azim: Is it a fact that the Public Works Department stores were centralized on the 1st October, 1931? If so, what quantities of Badarpur sand and Jumna sand were in stock then and how much of each was found to be surplus, and what action was taken in the matter?

The Honourable Sir Frank Noyce: The reply to the first part of the question is in the affirmative. 21,425 cubic feet of Badarpur sand and 20,658 cubic feet of Jumna sand were in stock on the 1st October, 1931. No surplus was found on the date of transfer. The last part of the question does not, therefore, arise.

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. 36, asked by Mr. Gaya Prasad Singh on the 29th January, 1934; and
- (ii) the information promised in reply to starred question No. 49, asked by Mr. S. C. Mitra on the 30th January, 1934.

NOTICES ISSUED IN MIDNAPORE AT THE INSTANCE OF THE MILITARY AUTHORITIES.

*36 (a) (i). This notice was issued by the sub-divisional officer of Contai. It was not issued at the instance of the military authorities.

(ii) Government are not aware of any such notice.

(b) Certain allegations of the character mentioned came to the notice of the Government of Bengal, who after due enquiry are satisfied that no oppression or maltreatment occurred. Troops have only been used to provide cordons round houses in which the police and civil authorities were conducting searches in accordance with law.

EMPLOYMENT OF SOLDIERS FOR FORCING ONE MR. ASHUTOSH ROY CHAUDHURI OF CONTAI, MIDNAPUR, TO SALUTE THE UNION JACK.

*49. (a) Troops were employed to provide a cordon round the house while it was being searched by the civil authorities.

(b) to (i). A petition containing these allegations was received from Babu Ashutosh Roy Chaudhuri. The Government of Bengal caused enquiries to be made and are satisfied that no acts of oppression were committed. The facts are as follows. The houses of Babu Ashutosh Chaudhuri and Babu Rama Nath Maiti were searched on the authority of search warrants issued by a competent authority and the search was carried out by the Officer in charge of the Patashpur Thana. Troops were used only to provide cordons round houses in which search was made but they did not enter the houses in the course of the search. No unnecessary damage to property was done, nor was Ashutosh Babu requested to salute a flag at Balyagovindapur where in fact there was no Union Jack. Literature clearly indicating the undesirable associations of these two men was found in their houses and it was considered necessary to make detailed enquiries regarding them and their connections. They were accordingly requested to go to Manglamaro Camp and on arrival they were offered food which had been prepared for the Special Magistrate. This they refused to take. A flag saluting ceremony had been arranged for 4-30 P.M. at Manglamaro and both Ashutosh Babu and Rama Nath Babu expressed their willingness to salute the Union Jack. No force was used to compel them to salute the flag and they acted quite voluntarily in this respect. After the ceremony at about 6 P.M. Ashutosh Babu and Rama Nath Babu were told that their presence was no longer required.

As their houses were at some distance from Manglamaro they asked permission to spend the night in the Manglamaro school. This they were allowed to do, and they were also given food. The story that they were locked up in Manglamaro school or elsewhere is totally false. They left Manglamaro on the morning of December 11th at their own convenience, and neither then nor at any time were they taken to Patashpur Thana.

(j) Babu Ashutosh Roy Chaudhuri says in his representation that he has never shown disrespect to the Union Jack.

(k) It was necessary to cordon the house when the search was going on. The use of troops for such a purpose is not unusual when they are being used in aid of the civil power.

(l) There is nothing to suggest such a view.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I lay on the table the information promised in reply to starred questions Nos. 62 and 63, asked by Dr. Ziauddin Ahmad on the 30th January, 1934.

VALUE OF INDIAN EXPORTS AND IMPORTS TO AND FROM JAPAN DURING 1933.

*62. (a) Two statements are attached giving the information required.

(b) Exporters and importers give rupee values only in their shipping bills and bills of entry. Importers declare in their bills of entry the real values of their consignments obtained by converting yen prices into Rupees at the Banks' selling rate of exchange current on the date of importation as quoted in the Exchange Gazettes. The selling rate for yen varied during the year 1933 from Rs. 78-8-0 to Rs. 83-4-0 and the average rate was Rs. 81-8-0 to the 100 yen.

(c) According to the information supplied by the Yokohama Specie Bank Limited, Calcutta, the exchange rate on Japan on the 15th January, 1914, i.e., pre-war value of 100 yen in rupees was at 152 as against at 79½ on the 15th January, 1934.

VALUE OF GOODS IMPORTED FROM JAPAN DURING OCTOBER TO DECEMBER 1933.

*63. The negotiations with the Japanese Delegation began towards the end of September, 1933. The total value of goods imported from Japan into British India during the months of October, November and December, 1933 amounted to Rs. 3,43,12,544.

Statement showing the total value of exports of Indian merchandise to Japan during the calendar year 1933, mentioning the principal items.

Articles.	Value in Rs.
Grain, Pulse and Flour—	
Beans	7,93,600
Shellac	9,73,323
Leather—	
Sheep Skins, tanned	18,50,230
Iron, Pig	41,91,686
Iron, old for re-manufacture	25,63,120
Lead, Pig	21,10,081
Oilcake—	
Rape and Sesamum Cake	7,44,118
Cotton, raw	11,78,47,959
Jute, raw	23,21,741
Jute, gunny bags	18,20,816
Tobacco, unmanufactured	4,70,733
All other articles	48,42,551
Total exports to Japan (Indian merchandise)	14,00,89,168

Statement showing the total value of imports from Japan into British India during the calendar year 1933 mentioning the principal items.

Articles.	Value in Rs.
Boots and Shoes	34,00,603
Glass and Glassware	57,78,302
Cotton twist and yarn	94,04,327
Cotton Hosiery	69,22,631
Cotton Piecegoods—Grey	1,92,67,801
Cotton Piecegoods—White	98,12,775
Cotton Piecegoods—Coloured	1,75,29,431
Goods of silk mixed with other materials	32,15,535
Silk Piecegoods	1,42,97,727
Piecegoods of cotton and artificial silk	1,57,98,060
All other articles	5,90,45,259
Total imports from Japan	16,44,72,451

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. 1169, asked by Mr. N. M. Joshi on the 10th April, 1933.

GRANT OF INCREMENTS AND EXEMPTION FROM PASSING ANY EXAMINATION TO THE OFFICIALS OF THE SORTING OFFICE, MADRAS GENERAL POST OFFICE.

*1169. (a) The reply to the first part of the question is in the affirmative. As regards the second part, orders for the grant of increments to such officials have been issued.

(b) The facts were substantially as stated by the Hon'ble Member, but it has since been decided not to require the officials in question to pass the second examination.

(c) The reply is in the affirmative, except that the period of training was 3 and not 4 months.

(d) Yes.

(e) Does not now arise in view of the reply given to parts (a) and (b).

Mr. H. A. F. Metcalfe (Foreign Secretary): Sir, I lay on the table the information promised in reply to starred question No. 1488, asked by Mr. Lalchand Navalrai on the 22nd December, 1933.

TREATMENT METED TO INDIAN STUDENTS IN GERMANY.

*1488. (b), (c) and (d). Information has been received from His Majesty's Embassy at Berlin that no definite restrictions nor any measure of segregation have been applied to Indian students in Germany. An official statement was recently issued by the German Minister of the Interior stating that the German Government intended to maintain the purity of the German race, but that foreigners would be able to continue their commercial pursuits in Germany and German Educational Establishments would remain open to foreign students. No complaints have been received by the British Consular authorities in Berlin regarding any discriminatory treatment of Indian students.

(e) Yes. Every German woman automatically loses her German nationality by marriage with a subject of any foreign nation.

(f) In the circumstances Government do not propose to take any action.

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

- (i) the information promised in reply to starred questions Nos. 1025 and 1027, asked by Mr. Muhammad Azhar Ali on the 20th September, 1933;
- (ii) the information promised in reply to starred question No. 1400, asked by Mr. S. G. Jog on the 12th December, 1933;
- (iii) the information promised in reply to part (e) of starred question No. 1034, asked by Pandit Satyendra Nath Sen on the 20th September, 1933; and
- (iv) the information promised in reply to starred question No. 1434, asked by Dr. Ziauddin Ahmad on the 16th December, 1933.

ADH KUMBH MELA AT HARDWAR.

*1025. (a) (i) The total expenditure incurred was—

	Rs.	a.	p.
Kumbh Mela, 1927	3,32,793	6	6
Adh-Kumbh Mela, 1933.	1,53,657	11	3

(ii) The total inward traffic including Rikhikesh was—

Kumbh Mela, 1927	356,473 passengers.
Adh-Kumbh Mela, 1933.	139,802 passengers.

Separate figures of traffic to Rikhikesh are not available.

The inward traffic for the corresponding period of 1932 to Hardwar and Rikhikesh was 28,000 passengers.

The total inward traffic for the Solar Eclipse Mela in 1933 was 43,947 passengers. There was no Solar Eclipse Mela at Hardwar in 1932.

(iii) The particulars asked for are summarised below:—

	Number Extra staff employed.	Period of employ- ment.	Cost. Rs.
Kumbh Mela, 1927	1,862	15-2-27 to 10-4-27.	98,719
Adh-Kumbh Mela, 1933	1,172	10-3-33 to 30-4-33.	48,328
Solar Eclipse Mela, 1933	37	18th to 30th August 1933.	713

(b) The Agent reports that in view of the information obtained in respect of the traffic which might be expected at Hardwar for the Adh Kumbh Mela in 1933, it was essential that adequate arrangements should be made to cope with it.

ADH KUMBH MELA AT HARDWAR.

*1027. (a) The answer to the first part is in the affirmative.

(i) The entire administration of the Mela arrangements was in the hands of the Divisional Superintendent, Moradabad.

(ii) Staff of all grades were employed at Hardwar and the total number was 1,172.

(iii) and (iv) The Agent reports that the reply to both these questions is in the negative.

(b) A statement of expenditure and earnings in connection with the Adh Kumbh Mela held in 1933 is attached.

Complete figures for the Kumbh Mela held in 1927 are not available. The following are the results as far as are obtainable—

	Expenditure, 1927. Rs.	Earnings. Rs. a. p.
(i) Pay and allowances of staff	98,719	
(ii) Cost of Engineering Works including Electric installation, Electric current, and temporary construction of platform, cabin, etc.	2,17,468	10,05,279 7 9 from outwards booking.
(iii) Consumable stores	16,607	

The earnings on inward traffic are not available.

The particulars called for under items (iv) and (v) of the question are not available. What movements were made were performed in the exigencies of the service.

(c) The statement made in the first part is not correct.

(i) The inward traffic amounted to 1,59,802 passengers the outward figures amounted to 92,155½ passengers. The latter figures do not include passengers who held return tickets and were 29,560 in number.

(ii) Bookings for and from Rikhikesh have not been accounted for separately.

(iii) and (iv). 69 inward and 88 outward specials were run and a list showing the number of passengers who were carried by inward specials is attached. It is regretted similar information for outward specials is not available. One engine worked each train.

(d) It is not a fact that 17 engines remained in steam for more than 48 hours. It is also not correct that no specials were run due to lack of traffic. It is not correct to state that 26 specials were timed to run during every 24 hours. All possible paths on which trains could run were detailed but specials were run only when sufficient traffic offered. Government do not consider that any useful purpose will be served by placing on the table a copy of this voluminous working time table which was issued for departmental guidance.

(e) Only certain special trains were advertised to run daily between Saharanpur and Hardwar, viz., duplicate Nos. 76 Down and 75 Up from 2nd April 1933 and 36 Down and 35 Up from 8th April 1933.

Special trains were run when required and as traffic offered. During the inward rush, out of 59 specials which were run on the main line, 53 were run on paths detailed in time tables. During the outward rush, out of 77 specials run on the main line, 76 were run on the paths detailed in the time tables.

(f) It is not a fact that the Sawan and Solar Eclipse Melas of 1933 were more successful than the Adh Kumbh Mela. The following figures speak for themselves :—

Mela.	Date.	Total number of passengers.	
		Inward.	Outward.
Adh Kumbh Mela	20-3-33 to 20-4-33.	139,802	121,776
Sawan Mela	7-7-33 to 17-8-33	62,726	60,168
Solar Eclipse	18-8-33 to 27-8-33.	43,947	43,664

The following are the particulars of expenditure and earnings in connection with the Sawan and Solar Eclipse Melas held at Hardwar and the strength of staff employed :—

	Strength of staff.	Expenditure. Rs.	Earnings. Rs.
Sawan Mela	Nil.	335	1,39,672-0-0
Solar Eclipse Mela	37	713	1,40,845-9-9 on outward traffic.

APPENDIX. FINANCIAL RESULTS.

The approximate cost incurred and earnings derived from Adh-Kumbh Mela, Hardwar, 1933.

Expenditure.		Earnings—E. I. Railway proportion.			
Details.	Cost.	For 1933.	For 1932 for the same period.	Income attributable to Adh-Kumbh Mela.	
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Power.					
1. Coal	10,039 0 0	2,766 14 0	477 0 0	2,289 14 0	
2. Material and Oil	893 0 0	12,205 0 0	2,852 4 0	9,353 2 0	
3. Labour supplied by Contractor.	1,986 0 0	18,236 12 0	6,895 9 0	11,341 3 0	
4. Staff and allowances	9,274 0 0	12,187 1 0	7,757 13 0	4,429 4 0	
Total	22,182 0 0	1,12,588 13 9	47,000 0 0	65,588 13 9	
Carriage and Wagon.					
5. Duplicate fittings	534 0 0	1,97,116 15 3	50,000 0 0	1,47,116 15 3	
6. Consumable stores	621 0 0	498 11 0	..	498 11 0	
7. Labour and other staff and allowances.	7,465 0 0	105 0 0	..	105 0 0	
Total		3,65,705 9 0	1,14,982 10 0	2,40,722 1 0	
Train Lighting, etc.					
8. Repairs to cells and freight, etc.	4,496 0 0	2,047 2 3	1,629 0 0	1,629 0 0	
9. Material	3,181 0 0	2,510 4 0	3,651 0 0	3,651 0 0	
10. Labour and other staff	2,323 0 0	148 6 0	204 0 0	204 0 0	
Total	18,670 0 0	6,073 0 0	3,558 0 0	3,558 0 0	
		11,478 12 0	9,042 0 0	1,736 12 8	

*Earnings from Booking and collected Tickets has been taken from 20th March, 1933 to 20th April, 1933, while for Goods and Parcels from 1st March, 1933 to 20th April, 1933.

The approximate cost incurred and earnings derived from Adh-Kumbh Mela, Haridwar, 1933—contd.

Expenditure.		Earnings—E. I. Railway proportion.			
Details.	Cost.	Source.	For 1933.	For 1932 for the same period.	Income attributable to Adh-Kumbh Mela.
	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.
11. Medical	2,070 0 0	Rikhitkesh.	4,625 0 0	3,241 0 0	0 0
12. Sanitary staff	2,360 0 0	Goods	326 0 0	176 8 0	0 0
13. Sanitary stores	(Included in Item No. 19).	Parcels	5,482 14 3	1,374 0 0	0 0
Transportation.		Booking	10,433 14 3	4,791 8 0	5,642 6 3
14. Transportation staff	21,170 10 0	Total	3,76,918 3 6	1,28,816 2 0	2,48,102 1 6*
15. Ticket Checking staff	5,736 0 0	Grand Total			
16. Consumable stores	3,882 0 0				
17. Stationery	369 0 0				
18. Tools and plants. (Depreciation only as most of the stores will be absorbed on the Division and the balance returned). 25 per cent. of the total value.	3,148 0 0				
19. Works chargeable to Mela	42,930 0 0				
20. Provision of extra lights, pump, and over-head line for charging batteries at Haridwar, Roorkee and Jawalapur.	4,460 0 0				
21. Debit to be accepted from N. W. Railway for temporary works carried out at Khan Alampura and Saharanpur.	25,000 0 0	Net approximate saving to East Indian Railway			
Grand Total	1,51,977 10 0	Rs. 2,48,102 1 6			
		Rs. —1,51,977 10 0			
		= 96,124 7 6			

* This represents increase of 1933 earnings over 1932 figure or income attributable to Mela.

Date.	Special train number.	Number of passengers.
25th March, 1933	Up Mela Spl.	354
26th March, 1933	Up Mela Spl.	827
27th March, 1933	Up Mela Spl.	445
2nd April, 1933	Dup. 76 Up	163
3rd April, 1933	Dup. 76 Up	613
4th April, 1933	Dup. 76 Up	436
5th April, 1933	Dup. 76 Up	1,114
6th April, 1933	Dup. 76 Up	1,623
Do.	Up Y Mela Spl.	883
7th April, 1933	Dup. 76 Up	1,667
8th April, 1933	Dup. 76 Up	1,738
Do.	36 Up	703
Do.	Y 1 Up Mela Spl.	1,610
Do.	Z 1 Up Mela Spl.	366
9th April, 1933	V 1 Up Mela Spl.	1,825
Do.	Dup. 76 Up	1,203
Do.	DH 1 Up Mela Spl.	772
Do.	36 Up	1,182
Do.	Z 1 Up Mela Spl.	198
10th April, 1933	7 D. H. Up Mela Spl.	959
Do.	Dup. 76 Up	1,663
Do.	36 Up	1,266
Do.	X 1 Up Mela Spl.	1,355
Do.	Y 1 Up Mela Spl.	953
Do.	Z 1 Up Mela Spl.	2,037
11th April, 1933	U 1 Up Mela Spl.	1,587
Do.	W 1 Up Mela Spl.	1,181
Do.	Dup. 76 Up	466
Do.	6 D H Up	467
Do.	36 Up	816
Do.	Z 1 Up Mela Spl.	272
12th April, 1933	U 1 Up Mela Spl.	1,385
Do.	Dup. 76 Up	1,515
Do.	36 Up Mela Spl.	1,201
Do.	7 DH Up Special	599
Do.	Z 1 Up Mela Spl.	866
Do.	Dn. Mela Special	452
Do.	Up Mela Special	570
13th April, 1933	Up Mela Special	287
Do.	U 1 Up Mela Spl.	1,284
Do.	V 1 Up Mela Spl.	642
Do.	W 1 Up Mela Spl.	307
Do.	Dup. 76 Up	1,762
Do.	36 Up	612
Do.	7 D. H. Special	1,726
Do.	Up B. E. Special	975
Do.	Dn. Mela Spl.	28
14th April, 1933	Dup. 76 Up	2
Do.	36 Up	77
Do.	Dn. Mela Special	41
Do.	Dn. Mela Spl.	50
Do.	3rd Dn. Mela Spl.	125
15th April, 1933	Dup. 76 Up	3
Do.	36 Up	19
Do.	Dn. Mela Special	622
Do.	2nd Dn. Mela Spl.	103
Do.	3rd Dn. Mela Spl.	787
16th April, 1933	Dn. Mela Special	495
Do.	Dup. 76 Up	21
Do.	36 Up	3
17th April, 1933	Dup. 76 Up	47
Do.	36 Up	16
Do.	Dn. Mela Special	192

Date.	Special train number.	Number of passengers.
18th April, 1933 . . .	Dup. 76 Up	11
Do.	36 Up	6
19th April, 1933 . . .	Dup. 76 Up	4
Do.	36 Up	7
20th April, 1933 . . .	Dup. 76 Up	2
Do.	36 Up	Nil

N.B. (i) Dup. 76 Dn./75 Up and 36 Dn./25 Up were advertised trains.
(ii) All trains were hauled by one engine only.

RAILWAY ACCIDENTS DURING THE ADH KUMBH MELA AT HARDWAR.

*1400. (a) The answer is in the negative. No "averted collision" occurred at Hardwar during April, 1933. On the 25th April, 1933, during shunting operation a shunting engine was derailed.

(b) and (c). The case was enquired into by a Traffic Inspector as is usual in cases of this sort.

(d) The answer is in the negative.

(e) Does not arise, as the yard staff are responsible for shunting operations.

DISCHARGE OF RAILWAY EMPLOYEES IN CERTAIN DEPARTMENTS IN THE DINAPUR DIVISION.

*1034.

Year.	Number of employees discharged on account of offences.	Joint enquiries held.	Appeals under Rules framed by the Railway Board.	Number of cases in which the original orders were upheld.
1932	17	8	10	9
1933 up to October . .	22	3	12	10

INTRODUCTION OF THE SYSTEM OF FLYING SQUADS ON THE EAST INDIAN RAILWAY

*1434. (a) Yes.

(b) The system has been tried on the North Western Railway since 1926. It has achieved its object which is to provide a mobile staff to exercise an efficient check at stations with a view to preventing ticketless passengers from commencing a journey.

(c) The system, which is a part of the organisation recommended in para. 48 of the Moody Ward Report (a copy of which is in the Library), was introduced to prevent people from travelling without tickets.

(d) No.

THE NEGOTIABLE INSTRUMENTS (AMENDMENT) BILL.

EXTENSION OF THE TIME FOR THE PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

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

"That the time appointed for the presentation of the Report of the Select Committee on the Bill further to amend the Negotiable Instruments Act, 1881, for a certain purpose, as passed by the Council of State, be extended to the 26th February, 1934."

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the time appointed for the presentation of the Report of the Select Committee on the Bill further to amend the Negotiable Instruments Act, 1881, for a certain purpose, as passed by the Council of State, be extended to the 26th February, 1934."

The motion was adopted

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Schuster: Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Negotiable Instruments Act, 1881, for a certain purpose, as passed by the Council of State.

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir George Schuster (Finance Member): I move for leave to introduce a Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That leave be given 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: I introduce the Bill.

THE TRADE DISPUTES (EXTENDING) BILL.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move for leave to introduce a Bill to extend the operation of the Trade Disputes Act, 1920.

In order to remove possible misapprehensions, I should like to add one observation. As the House is aware, we have canvassed opinions on the amendment of the Trade Disputes Act and have received a number of

[Sir Frank Noyce.]
 suggestions. The fact that this Bill is limited to the continuance of the it in its present form should not be taken to mean that we have rejected proposals for change. The position, as the House knows, is that legislative business this Session is very heavy and this has made it almost impossible for us to ask the House to consider further amendments to this measure during the present Session. The Act is due to expire on the 1st May and we could not, therefore, defer our proposals to a later date. If the present Bill is passed, the other proposals will be carefully examined with a view to considering what further amendments are required in the main Act. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill to extend the operations of the Trade Disputes Act, 1929."

The motion was adopted.

The Honourable Sir Frank Noyce: I introduce the Bill.

THE COTTON TEXTILE INDUSTRY PROTECTION (AMENDMENT) BILL.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill further to amend the Cotton Textile Industry (Protection) Act, 1930.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill further to amend the Cotton Textile Industry (Protection) Act, 1930."

The motion was adopted.

The Honourable Sir Joseph Bhoré: I introduce the Bill.

The Honourable Sir Joseph Bhoré: I move:

"That the Bill further to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration."

The reasons for this measure are explained in detail in the Statement of Objects and Reasons, and I need only add that, before I took the step of introducing this measure, I consulted the Leaders of all Parties and I have taken the action I have done with their full concurrence. Sir, I move.

THE COTTON TEXTILE INDUSTRY (PROTECTION) AMENDMENT BILL. 1399

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill further 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 Bhoré: I move:

"That the Bill be passed."

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill be passed."

The motion was adopted.

THE RESERVE BANK OF INDIA BILL.

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

"That the amendments made by the Council of State in the Bill to constitute Reserve Bank of India be taken into consideration."

The House has already had these amendments read to it by the Secretary when he announced the action taken by the Council of State and I think that, from their attitude on that occasion, one may judge that they realised that these amendments were purely of a formal nature. In most cases they are merely the correction of verbal errors in the original Bill and in one case they make the intention of the original clause more clear. I think, therefore, that no explanation is required from me, and I hope that this Assembly today will put its final seal on a measure which will be in the interests of India. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the amendments made by the Council of State in the Bill to constitute Reserve Bank of India be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in sub-clause (1) of clause 1, for the figures '1933' the figures '1934' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the proviso to sub-clause (c) of clause 2, for the word 'society' when it last occurs, the word 'bank' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in sub-clause (3) of clause 14, for the words 'five shares shall have one vote and on poll being demanded each shareholder so registered as having more than five shares' the following words be substituted, namely:

'five or more shares shall have one vote and on a poll being demanded each shareholder so registered'."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in sub-clause (4) of clause 15, for the word 'registers', where it first occurs, the word 'register' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in sub-clause (2) of clause 48, for the figures '44' the figures '47' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Third Schedule, for the figures '1933', wherever they occur, the figures '1934' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Fifth Schedule, for the figures '1933' the figures '1934' be substituted."

The motion was adopted.

THE WHEAT IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): I move:

"That the Bill further to extend the operation of the Wheat (Import Duty) Act, 1931, be taken into consideration."

The questions at issue in connection with this Bill have been discussed at considerable length on previous occasions when similar extension measures were before this House. I venture to think that no useful purpose will be served by retraversing ground which has been so completely covered in the past on the occasions on which similar measures were discussed in this House. There are, however, two points on which I think the House will need to be satisfied before it passes this Bill. It will need, in the first place, I think, to be satisfied that the probable effect, on the price of wheat and on the agriculturist in India, of the

removal of this import duty will be such as to justify this measure. Such information as we have goes to show that the stocks of surplus wheat in the world are of considerable magnitude. I would like to quote to the House from an appreciation which has been made by the Director General of Commercial Intelligence, of the available stocks in the world and the possible effect of our removing this import duty. This is what he says:

"The world exportable stocks of wheat on the first August, 1933, amounted to something like 695 million bushels representing the heaviest accumulation of surpluses so far recorded. The European crop is very large this year, amounting to 1,670 million bushels and substantially exceeding the record yield of 1,490 million bushels of the previous season. The principal market for the countries producing a surplus of wheat is Europe, which absorbs on the average between 70 per cent. and 80 per cent of the world wheat exports. In view of the abundance of the European crop, the good quality of this year's wheat, the excellent rye crop, the abundance of fodder cereals and potatoes and the difficulties and ever-increasing hindrances to international trade, the probable requirements of imported wheat for Europe are estimated at 375 million bushels, which is the smallest figure of import ever recorded in Europe even perhaps during the War. Of these 375 million bushels, 55 million might be supplied by the Danubian countries including Poland, about 30 million by Russia, 15 million by North Africa, while the remaining 275 million might be supplied by the four great exporting countries, Canada, the United States, Argentine and Australia whose exportable supplies total 970 million bushels. These four exporting countries are therefore expected to have exportable supplies of something like 695 million bushels against the extra-European demand of only 150 million bushels. In the circumstances, there seems to be very little prospect of world prices of wheat hardening to any appreciable extent in the near future, and if the import duty is removed or reduced, there is every certainty that the exporting countries will unload part of their surplus stocks on the Indian market, and Indian prices will fall very heavily."

Sir, the removal of the impediment to the ingress of foreign wheat will, I feel certain, be a signal for a considerable foreign importation, with a still further lowering of Indian prices. With so many Members in this House personally cognizant of the conditions of Indian agriculture today, it is unnecessary for me to dilate upon the disastrous effect upon the Indian grower. The second point upon which this House, I think, would need to be satisfied is that the import duty in the past has not resulted in appreciably or unreasonably raising the price to the Indian consumer. I think the figures I shall be able to quote will satisfy the House completely on this point. Take the years before the import duty was imposed. In 1928, at the end of December, the price of wheat per maund f.o.r. Lyallpur was Rs. 5-14-0. In 1929, it was Rs. 4-5-0. Compare those prices with the prices that prevailed after the Wheat Import Duty Act was passed. In December, 1931, the price was Rs. 2-10-6 per maund. In 1932, it was Rs. 3-3-0. In 1933, it was Rs. 2-2-3, and, on the 25th January, 1934, the price was Rs. 2-2-9. I may add that such evidence as is available at present goes to show that this year's harvest will be a very good one so that the interests of the consumer should be fully safeguarded. I think, Sir, that is all I need say. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill further to extend the operation of the Wheat (Import Duty) Act, 1931, be taken into consideration."

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I have got to submit a few observations in connection with this Bill. Whether I am opposing or not, I shall say as the

[Raja Bahadur G. Krishnamachariar.]

debate progresses. At present I have got a great complaint against the Honourable Member who has made this motion. I know his patience, I know his tact, I know all his other qualities about which my Honourable friend, the Diwan Bahadur, said a great deal, and I take it that he said that, not only on his behalf, but also on behalf of this House, in the matter of his going on with the Japanese negotiations, but I shall try if I cannot exhaust even that patience. He gave us a lot of figures today. May I respectfully complain that those figures ought to have been supplied before he started the motion? Now, how does the Statement of Objects and Reasons read?

"The Government of India have maintained a careful watch on the wheat position in India and"—(mark the words)—"they are satisfied that no such change has yet taken place as would justify the removal of the duty at the end of next March."

Sir, as it stands, without the elaboration made in the speech, which elaboration, I submit, is incomplete and insufficient, the Honourable Member stated—"the Government of India have maintained a careful watch". Result? The position is not so satisfactory as to enable them to remove the Wheat Import duty—not that the Government of India would alone make the change, but that the Assembly might be pleased to agree to the duty not being removed. Sir, I know of a little bit of incident which used to happen in the olden days when the Nawabs used to have plenty of people called "*Mosahibs*". One Nawab had a great partiality for brinjals. He ate the brinjals from day to day, and every day brinjals were cooked and the Nawab was eating fully of them and told his *Mosahibs*, "what a nice thing the brinjal is", and everybody said: "There is no such good a vegetable really as the brinjal!" Days went on, brinjals were being cooked every day; then, our friend, the Nawab, took ill and went to a *Hakim*. The *Hakim* said: "What have you been eating?" The Nawab said: "Brinjals". The *Hakim* said: "Stop that for some time", and the *Hakim* began to give him the other side of the picture. Then the Nawab came home and told his people not to cook brinjals again. The *Mosahibs* thought it was a curious thing. They did not know what was the matter. They asked the Nawab: "Why is it, that no brinjals today, Sir?" The Nawab said: "Oh, the brinjal is such a useless thing, it produced all kinds of worms and caused sickness and all that". Then the *Mosahibs* started saying: "The brinjal is such a poison, you should never eat it. Hereafter, please, for God's sake, do not allow brinjals to come to your kitchen", etc. The *Mosahibs* said: "We are very glad, Sir, you do not bring the brinjal to your kitchen". But the Nawab said: "All these days you have been praising about the brinjal. Now you go against it". The *Mosahibs* answered: "Sir, please excuse us, we are not the brinjal's servants, but we are your servants." (Laughter.) Likewise, my Honourable friend has probably started saying: "Today I am quite satisfied with the position of the wheat. Therefore you simply come and continue the duty. Tomorrow I am not satisfied with something else. Therefore, simply come and reduce the duty." There is another Bill, exactly the second brother of this Bill, with which we shall have to deal presently. Sir, that is a very very unfair thing. I say why, first upon the ground of self-respect. This House knows that time after time the newspapers, when they have got nothing else important to put in, begin to abuse the Assembly. They say, it is no good, and the Assembly that they had before it was a better one and what a grand thing it would be if we could by any means get back

those old stalwarts. This Assembly must go out. But, Sir, there is only one redeeming feature and that is, whether our opinions are agreeable or not, we go on discussing things. Now, my Honourable friend, without giving us any materials to go upon, says: The Government are satisfied, and, therefore, you ought also to be satisfied. That is very unfair. I know that our friend, Sir Hari Singh Gour, has come to our rescue in his usual able manner. But, then, another gentleman says that this Constitution has been exhausted and this Assembly must go. Sir, I am not particularly anxious to get into the Assembly, and to me it matters little whether it goes out or continues on. I have no idea, God willing, to come back to the Assembly for the simple reason that I have not got the strength to continue hereafter. But the peculiar mentality of these gentlemen is that the Constitution is dead and they want to elect another Assembly under the same Constitution. The point of my argument is that I would respectfully ask my Honourable friend not to put us in that position.

The next point that I wish to develop relates to a rather personal matter. I have a great desire to oppose this, because the rice people have been completely neglected. If only my Honourable friend had worked up the figures just as they have been worked for the purpose of wheat, the same trouble would have been apparent and the same measure of protection that has been given for wheat and which he now wants to continue might have been, would have been, should have been and ought to have been continued for rice. But rice is forgotten, because, as I said the other day, Madras is no good except when the Honourable the Home Member comes and says: "Oh, they can always take care of themselves, and, therefore, do not trouble about them." (A Voice: "It is a benighted Province.") That is the whole trouble. But this benighted Province contributes the most and, therefore, it continues to be benighted.

Mr. N. M. Joshi (Nominated Non-Official): How much does it contribute?

Raja Bahadur G. Krishnamachariar: It would be just as well if my Honourable friend does not challenge me. Does he remember the old provincial contributions? Does he remember who paid the most money in order to keep these gentlemen going here and enable them to hear his pipe over labour?

Mr. N. M. Joshi: They are gone.

Raja Bahadur G. Krishnamachariar: That is just the gratitude that we have forgotten. Gratitude is not a sense of recognition of what you have already got, but a lively sense of favours to come. My friend has forgotten that for years and years Madras milked herself dry and supplied it to other Provinces, and my friend, Mr. Joshi, went on increasing his fat. He now only discusses labour problems and is quite prepared to start a revolution amongst the agricultural villages provided I gave him a thousand rupees. I want the Honourable gentleman to see what the Honourable the Finance Member of Madras said about the agricultural position when he introduced the Budget. It is all very well to protect wheat, but what about my rice? As long as you do not protect my rice, I must protest. That is my position.

Mr. G. Morgan (Bengal: European): Sir, for the first time, since this additional duty was brought in, I do not oppose the Bill. I am very glad that the Commerce Member drew attention to the world condition of excess stocks. I think the figures which the Honourable Member gave us were

[Mr. G. Morgan.]

695 million bushels stock and only 100 million odd would be the consumption. I presume that every Honourable Member in this House understands what the Wheat Agreement is that was entered into by four producing countries and a great many importing countries. Now, Sir, in that connection we have a very large area coming under cultivation in the near future. In fact, part of it is in cultivation now; I refer to the Sukkur Barrage. If that agricultural area is going to produce a large quantity of wheat, we may then be in a position of having a surplus over consumption and would have to be an exporting country which we are not at the present moment, and, I am sure, the Honourable the Commerce Member will bear that in mind. And when any question of the cultivation of area round this Sukkur Barrage comes up, I trust that attention will be given to crops which will be more satisfactory than a wheat crop with an exportable surplus in view of the world conditions today. In the importing countries under the Wheat Agreement, I notice that one clause says they will do their utmost to stimulate the consumption of flour and wheat products. I trust that also will have the attention of the Government of India. It is very important that the consumption in this country should be increased in view of the fact that we are certain to increase our wheat production in the near future and it would be a very difficult thing to get an economic price for some years to come in view of the world position of wheat production today. I also trust that the Commerce Member would bear in mind the position of the flour mills in this country. At the present moment, things are more satisfactory than they were six or seven months ago, but still they have been making very heavy losses, not only at the ports, but also, I think I am right in saying, even in the interior. Part of that has been due to the fact that the price of wheat at times has been very much higher than it is today and other cereals have entered into competition in the consumption market and the wheat flour has been relegated more or less to the background. I say that the position is better today, because the price of wheat is a very much better economic price for the flour mills than it was not very long ago.

I agree with my Honourable friend, Raja Bahadur Krishnamachariar, when he said that he would have liked to have had these world figures before the discussion on the Wheat Bill came up. I think it would have been more satisfactory had we been supplied with these figures beforehand. Sir, that is all I have to say on the Bill to extend the operation of the Wheat Additional Duty Act, and I have no opposition to the Bill being placed on the Statute.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I wholeheartedly support this measure which has been moved by my Honourable friend just now. A large number of agriculturists are rotting every minute in order to fill the pockets of the millowners of Bombay and, therefore, there is no harm if the agriculturists are also protected. But I want to know what is the percentage of wheat in the total agricultural produce, and why Government's attitude is a stepmotherly one so far as rice is concerned.

I have got much to say in this connection about rice. My Honourable friend always comes before this House and gives protection to wheat, but the question of rice is never considered by the Government. The representation of the Punjab in the Cabinet seems to be much stronger than that of Bengal. The Government protect wheat by means of this

import duty, but what about rice? They are ruining this class of the agriculturist by imposing an export duty on rice. This is the only foodstuff on which an export duty has been imposed. One of the other articles on which an export duty has been levied is jute, and this also affects Bengal. Then comes the question of hides and skins and this also affects that part of the country to a great extent. If Government need money for their revenue, they should have some other means of filling up their purse and they should not tax a particular area in a particular manner by means of this export duty. The Government are taxing Bihar, Bengal and Madras for the benefit of the whole of India. Rice is not produced in sufficient quantity in Bengal. Instead of making room for Bihar rice, Government, by artificial means of special freight from the Punjab to Calcutta, are dumping the Bengal market with the Punjab wheat.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member cannot utilise this opportunity for making out a case for the protection of rice.

Mr. M. Maswood Ahmad: I submit that the protection which has been given for wheat is the preferential treatment for the Punjab which is not justified. They have given special rates for carrying wheat from the Punjab to Bengal, and this special rate for wheat has affected that part of the country to a great extent. If Government want to protect wheat, there is no harm. We all agree that they should protect wheat, but this special facility should not be given to wheat. If Government want to give this special facility to wheat sent from the Punjab to Bengal at a cheap and special railway rate,—then the commodities which are grown in Bengal and Bihar, *e.g.*, rice, should also be given the same facility so that those articles may also be taken at a cheap and special railway rate from Bengal and Bihar to Cawnpore and Delhi.

With these observations, I support the motion of my Honourable friend.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Sir, I do not wish to put forward a case for the protection of rice, but, inevitably, in the discussion of this Bill, the case for other agricultural commodities comes up before one's mind. I have no objection to the protection granted to wheat, but I wish the Government to realise that however anxious they may be to protect wheat, wheat plays a comparatively smaller part in the economic structure of the society of India as a whole, and its value is very much less than that of rice. The Provincial revenues in most cases, and, in fact, part of the Imperial revenues depend upon a proper and adequate price market for the rice produced in this country. (Hear, hear.) I know that wheat is an international commodity, that the prices elsewhere must necessarily govern the wheat price in this country. I was one of those who, in 1931, when Sir George Rainy first brought forward this proposition for the protection of wheat, gave my whole-hearted support to it. The result of it has been that wheat is today a protected agricultural commodity necessarily deserving protection and able to hold its head above water, merely because of that protection. You will find from the figures given by the Director of Commercial Intelligence that while Manitoba wheat and Liverpool wheat has been going down in price during the past 18 months, the Indian wheat has been going up in price and what would have happened if this protective tariff was not established by Government soon enough is that the agricultural commodity would have been wiped out of the market.

[Diwan Bahadur A. Ramaswami Mudaliar.]

and it would not have been worth the while of anybody to cultivate wheat in India. The Director of Commercial Intelligence and Statistics, whose report my Honourable friend, the Commerce Member, quoted for some purposes, observes with reference to wheat protection as follows:

"Indian wheat behind a high tariff wall, on the one side, and with a production about equal to her own requirements, on the other, was cut off from the international markets during the year under review. The isolation was so complete that the movement of wheat prices in India remained more or less unaffected during the greater part of the year by movements in world prices. This is best illustrated by the fact that while at Liverpool prices of Manitoba wheat declined from a high to a low level, those of Indian white wheat at Karachi moved in a diametrically opposite direction with continually increasing prices. This position appears to have been the outcome of a fairly moderate supply which prevented prices from sagging."

In this connection I should like to reiterate the remarks of my Honourable friend, Mr. Morgan, that you have to plan your economy with reference to wheat cultivation and wheat production in this country. The time has come when, in the production of any agricultural commodity, you have to see how far internal consumption requires the commodity and to what extent external markets can take the surplus stock. I have come recently to the conclusion that irrigation schemes, over which the whole country was at one time very enthusiastic, are not the unadulterated good that they once were made out to be. I have come to the conclusion that as irrigation is extended without any reference to the nature of the produce and the requirements of the country and of the external market, irrigation may become a calamity to this country. Take, for instance, the Sukkur Barrage scheme about which so much enthusiastic reference was made both at the opening of that scheme and afterwards; what would be the result if, with a consumption of only eight million or nine million tons in this country, you produce 13 or 14 millions, and you are unable to find an external market for that wheat. My Honourable friend, I do not know which of the preceding speakers, one of them, referred to the fact that the wheat agreement has been arrived at with four of the wheat producing countries for cornering the world markets outside India. India, to the best of my recollection, had no part or share in that agreement. We have no share in the external market, we do not put in our appearance there, we do not claim the external market, we hold too modest a position in this country to be able to corner any external market. If this is so, the wheat produced in this country must be self-sufficing and no more than self-sufficing, and the time has come for this Government, the Head Government of the whole of India, to take steps to see with reference to wheat production or with reference to the production of rice, that so long as we are not able to have an external market, we should regulate our produce, we should plan out an economic production for wheat and rice.

Let me now turn for a moment, without in any way contravening your ruling, to the protection of rice which inevitably comes up in a discussion for protection of wheat, for rice is a commodity which has a great external market. Burma rice was having a good external market, but it is falling off. I want India to be isolated similarly with reference to rice. We are already having imports of rice from Siam and Indo-China, and rice is also coming into India from Burma. So long as Burma remains a part of the unitary system of Government, Burma must be taken together as part of India, and, therefore, I am not making at present any proposal that an embargo should be put on Burma from exporting rice to India. I was

shocked the other day to read that in Southern India particularly, 20,000 tons of rice was being dumped month after month, and, if I have heard the reports correctly, Siam had even the hardihood to import rice into Burma a few weeks back and that is not a position to be tolerated by any Government. I ask the Honourable the Commerce Member whether his Department has taken into consideration the question of regulating the import of rice from foreign countries into this country. It may be said that the quantities are so small and that the total production is about 28 million tons and that 20,000 tons a month does not have any appreciable effect. I want the Honourable the Commerce Member to consider the psychological effect on the producer, the grain storer and the seller of this country with an import of 20,000 tons month after month. I know the actual fact that the moment a Siamese steamer or the Japanese steamer with Siamese rice comes into the Madras harbour, even though with only 20,000 tons, there is an immediate sharp fall in the price of rice in the market. Every section of the Indian community raised their protest, particularly from Southern India, and I beg the Honourable the Commerce Member to take up this question with the same enthusiasm which he has shown towards the question of wheat. I do not go so far as my Honourable friend, Mr. Maswood Ahmad, when he suggested that wheat has greater influence in the Government of India Cabinet than rice, and I should be loath to give my assent to such a proposition. I know the influence of wheat is sufficiently strong, but I venture to think that the dual influence of rice on that Cabinet will be at least equal to the unitary influence of wheat.

Now, Sir, as I said, with reference to this wheat production, it may be argued that the time may come when the internal consumption may not be sufficient for that purpose. My Honourable friend has not shown, in the course of his speech today, whether the wheat produced is sufficient or not. I on the other hand have suggested that, with the increase of the cultivable area for wheat, that production will be more than sufficient. It is the same case, I venture to respectfully submit, with reference to rice. In any case, whatever doubts there may be with reference to the adequacy of rice production in India proper, if you tack on Burma with it, no man can suggest that the rice production in India and Burma taken together is not more than sufficient for all the requirements of this country. I venture, therefore, very respectfully to suggest that in the barest interests of justice and fair play to the rice producing community, which is the largest community, which pays the largest amount of tax and whose wealth is the largest taking the stock as a whole, this Government should pay a little attention to that question. And I am here in no other capacity than that of the Laputan flapper just to give a little flap and say: "Master, awake, the country needs your wakeful attention to this question."

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I am sorry that I have to oppose this measure in spite of my own views in the matter that it ought to get protection. Considering the callous indifference of Government, in spite of our repeated requests, to consider the case of rice, it seems Government have got a very soft corner in their heart for wheat only and no other agricultural produce. We gave our whole-hearted assent to this measure when it first came into the House, because we believed, like all other distressed people, though we are one of them, that we are bound to see that our distressed brethren

[Mr. Amar Nath Dutt.]

the Punjab and other Provinces do not suffer. And we thought it to be not only our patriotic duty, but our bounden duty to support the measure. In the meantime, the grievances of the rice producing Provinces were brought to the notice of Government and they had of course some conferences and consultations which produced nothing. And, in fact, from the dilatory manner in which they have been proceeding in the case of rice, I was impressed with the idea that Government were not at all serious to give us any relief in the matter. Sir, it will not be relevant in this discussion to bring out what are my own ideas about giving protection to rice or as to how the price of rice or paddy can be raised. But I may be permitted to submit that I have my own views and I submitted those views in informal conferences before Members of Government. But I found that Government have not been pleased to take any steps whatsoever. It may be that my suggestions were not practicable or would not bring any good or any relief to the rice producing people. Still, when I found that they did not take up the matter seriously, I thought the only way in which we could bring the seriousness of the situation to the notice of Government was by way of protest, and by opposing this measure which has now been introduced in this House.

Sir, my friend, the Diwan Bahadur, has been pleased to refer to the over-production of wheat which will shortly come owing to the opening of the Sukkur Barrage. At the same time, there is a history behind it. By the opening up of the canal colony in the Punjab and vast tracts of country which did not grow a single blade of grass for two thousand years from the days of Fa-Hien and Hieuen-Tsang, that tract of country now produces a bumper harvest and there is a district town in the Canal Colony now known as Lyallpur which is represented here by my Honourable friend, Sardar Sant Singh. Sir, I myself have been in the centre of that Canal Colony for some time, and I was surprised at the growth of agricultural produce there. There is almost a mile of godown at Lyallpur for storing these crops and I have not seen such a large godown anywhere in India. When so much wheat was not needed, to open up a tract of country with the money of the tax-payer and thereby lower the price of wheat, was not a very profitable undertaking which was taken up by Government. Now that Government did it, they probably think that it is their duty to try to save them. But apart from this calculation of their own mistake and attempted reparation, I would bring to their notice the very verge of starvation to which the paddy producing Provinces in India have been reduced; and is it not up to Government to devise means as to how the price of paddy can be raised and how these poor agriculturists of paddy producing Provinces can be saved? If they have not done so and taken up the matter seriously, I think it will be the duty of every patriotic Indian,—even the Members of the wheat producing Provinces, considering that we gave them whole-hearted support in their case,—to oppose this measure. They should say: "We do not want this protection. You want to have so many brethren of ours starving and you only want to keep us up to support you. We are not so selfish as that and we don't want to have it." That is the attitude which I want to take up and I want to press it for their consideration.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I rise to support the motion, but I may be permitted to make one or two observations. The figures given by the Honourable the

Commerce Member clearly show that it is impossible for this country to capture the outside market. We were at one time reckoned among the wheat exporters, but we have now ceased to be wheat exporters, so much so, that, as Diwan Bahadur Mudaliar pointed out, India was not even invited to the Wheat Committee convened in London last year. So when it is not possible for us to have any market outside, we should at least make efforts to keep our own market for ourselves, and that is really the intention of this Bill. I would have very much liked on this occasion to know the exact figures for this country, that is, the amount of consumption in 1933, our production in 1933 and the amount of wheat which is now lying surplus in this country; and these figures would have been very useful on this occasion.

Sir, there is one thing which I cannot understand and perhaps the Honourable the Commerce Member will explain it to me. Why is it that the life of this Bill is extended only by one year, specially when it is explicitly provided here that power is retained to reduce or remove the duties by executive action before 31st March, 1935, if circumstances so change as to render the duties excessive or unnecessary? The executive Government have kept for themselves the power to reduce the duty at any time they consider desirable. Then, why should not the life of this Bill be extended for, say, three years instead of one year? Why is this Bill brought up year after year specially when this provision is there? Why is not an enactment made for three to five years under this provision? I can see only one explanation which is this: we have in India what is called a *Mushaira* or a poetic competition, where poets come and recite their own verses; usually it takes each one about five to twenty minutes, but there was one poet who came with a solitary verse and he had nothing more to recite: so he went on repeating each part of his verse five or six times, and then he repeated the whole verse five or six times to make much of his solitary effort. The only help that Government have given to the agriculturists is the wheat Act. They want to show that they have passed several Bills, by introducing this wheat Bill, every year and saying, here is a wheat Bill No. 1, wheat Bill No. 2, wheat Bill No. 3 and wheat Bill No. 4, while, really speaking, such repetition was quite unnecessary. Even today this Bill can be extended for three years, especially in view of the provision that this duration can be reduced by executive action; with this proviso it was quite safe to extend the time limit of this Bill to a much longer period than one year. In that case, the only difficulty would be that the number of wheat Bills would be reduced: instead of one Bill every year, there ought to have been one Bill probably for three or four years

Mr. Amar Nath Dutt: Let us hope that there is going to be a consolidated Bill for rice and wheat together.

Dr. Ziauddin Ahmad: Rice is not under discussion just now; and whenever the question comes up, you will find that every Member of this Assembly interested in agriculture will give his hearty support to rice as we are giving to wheat. My friend, Mr. Maswood Ahmad, pointed out the other day that this wheat question is the *Antark* of the Honourable the Commerce Member. Whenever any question about help given to agriculture comes in, the Government always point out that they have brought in this wheat Bill. But I think we should not have the same Bill repeated again and again and it would have been much better

[Dr. Ziauddin Ahmad.]

had the life of this Bill been extended to three or four years. It was quite safe in view of the provision in the Bill. With these words, I support the motion.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir I rise to support the introduction of this Bill.

Although I do not agree with my friend who has just sat down, I think it is very right on the part of Government to bring a Bill again and again every year, because it gives an opportunity to this House to ventilate its grievances on wheat and other food grains. Government have not been doing enough for the protection of the agriculturists: they have done something only for wheat, and are sitting quite contented with what they have done for raising the price of wheat. The figures that were read out in this House by the Honourable the Commerce Member are no doubt very convincing. They show that, as soon as this duty is removed, there will be a considerable surplus in the world markets, and the exporting nations will not be slow in dumping the surplus quantity of wheat wherever it will be allowed to enter, and, therefore, this measure is a very necessary one.

As for rice, I may point out that the cultivators who grow rice are the poorest and they do deserve consideration at the hands of Government. Rice is a very important food grain, and, therefore, Government ought to take into consideration the plight of the cultivators and do something for them also.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, the entire population of those Provinces where wheat is grown will be thankful to the Honourable the Commerce Member for introducing this Bill. We know that in India the prices are always counted in terms of the prices of wheat. The whole depression in this country is on account of the fall in the price of wheat. If wheat becomes costlier, then all commodities will also rise in prices. Gold is no longer the standard of exchange. In this country the standard of exchange, as far as Northern India is concerned, is wheat; and if a labourer can find that he can live on two annas he will accept two annas only if he can purchase sufficient quantity of wheat for his livelihood for that amount. But if the price of wheat goes up, then the same labourer asks for a wage of 12 annas, when he finds that he cannot live on less than 12 annas. We have seen that the ordinary wages of the labourer here now in Delhi are about six annas, while, when wheat was sold at five or six seers a rupee, you could not get an ordinary labourer for less than 12 annas or sometimes even a rupee per day. That means that if a man has sufficient money, he can afford to purchase articles whose prices vary according to the price of the staple food on which he lives. A *pukka bigha* and 12 *biswas* constitute an acre in Northern India, and if a man can produce about 12 maunds of wheat in one *bigha*, he can pay his canal dues and his rent and then save enough money in order to live an ordinary life: that is to say, the standard price ought to be something like 10 seers to the rupee to enable him to do so. If the cultivator cannot sell his produce at 10 seers a rupee, that is, if he cannot get Rs. 4 for a maund, then he cannot live—he gets a deficit. Last year we found that wheat was sold in Hapur, which is only 20 miles from Delhi, at 23 seers a rupee and in Lyallpur the price was Rs. 1-4-0 a maund. If wheat is

sold at Rs. 1-4-0 a maund, and the cost of production is something like four rupees a maund, how can this poor labourer or tenant live by selling his commodity? He does not get his wages in money; he merely gets sufficient to enable him to live throughout the year: that is his only profit. This is a great problem for Northern India, because prices of wheat must remain at the level of four rupees per maund, otherwise people will be forced to desert their lands in the villages and march into the neighbouring towns where they will get no employment. Sir, much has been said about famine conditions and famines in India, but there is no famine here in the sense that there is not sufficient quantity of grain, but there is great famine in the sense that people have not got sufficient opportunities to be employed in labour. People cannot find employment.

Mr. B. Das (Orissa Division: Non-Muhammadan): The case in Orissa is different.

Mr. Muhammad Yamin Khan: I am not talking of Orissa. My friend, I know, is a great authority on Orissa and he can talk about Orissa when his time comes. I am pointing out to the House that our main difficulty is to provide employment for labour in the villages, because, when they don't find employment in the villages, they naturally migrate towards the adjoining towns in search of employment, and, there too, they don't get any kind of work, with the result that there is always great discontent in cities. That is why all this agitation is being carried on. It is a well-known fact that most of the Congress volunteers joined the Congress ranks simply because they could get some sort of employment for the time being; these people could not get any employment in the villages, and, so, when they came to the cities, they were well fed and clothed by people who had made money, and these poor people were kept employed as volunteers. This was the cause of the whole trouble in the country, and if the Government cannot see their way to bring about contentment and happiness to the village population, if the village population is not kept fully employed and contented, which is very essential and necessary for keeping up good administration in the country, then the Government will be cutting their own root, and, in order to bring about peace and contentment in the village, the level of the prices of those commodities, which are standard commodities like wheat, should be kept up at standard prices, that is, 10 seers of wheat to the rupee.

Every country during the past few years has been producing a surplus quantity of wheat and so India too has produced more, and this surplus quantity has to be consumed somehow or other. I was not aware of all these facts until I was a member of the Ottawa Agreement Committee, and then I learnt that there was a great deal of surplus of wheat in the world. And, Sir, talking about wheat, India cannot be called upon to consume foreign wheat merely to provide a market for foreign wheat growers. We have to keep up our own market and we have to keep our own people contented, and, therefore, I feel that it is not a sound policy to bring forward this measure year after year, because the man who grows wheat must know beforehand what will be the prospects of sale in the months of May and June. By this measure you are merely giving protection up to 31st March, 1935, which means nothing. It means protection for May and June, 1934, because wheat is brought into the market for sale only in the months of May and June, and the grower will have no opportunity to bring his goods again from July up to the end of March.

[Mr. Muhammad Yamin Khan.]

because the protection which takes effect from July, 1934, does not affect the producer at all. That may benefit the middlemen who get the produce from the cultivator and hoard it up. Therefore, it is essential to see that the producer gets the benefit of this protection and also a sort of guarantee that, when next year he produces wheat, he will be able to sell it at the standard price. This measure, however, does not hold out to him any such guarantee for these few months. Therefore, the attempt you are making for bringing forward this measure year after year is not a right attempt: it is not a sound policy, so far as wheat is concerned. The proper thing to do is that you should give an extension to this Bill for at least three years, so that the producers may have a sort of guarantee that, when they produce wheat next year and in succeeding years, their wheat will be sold at a good price in spite of the market fluctuations. Both the purchasers and the middlemen know exactly where they stand. This is the reason why there is a great deal of gambling going on. If the Honourable the Commerce Member likes, I can give him numerous instances of gambling that is going on in the wheat market, and people, who had no money, small firms, which were not financially strong, have become very rich on account of gambling in wheat. Side by side with this, there is also the *Khati* business. I shall briefly explain to the House what this *Khati* is. At the time of the harvest, they collect all the wheat and bury it underground in *Khati*, which is an underground cellar. This wheat never sees the world's light, and all sorts of fictitious documents are being executed with regard to the wheat that is stored in these *Khatis*, and people make contracts two or three months in advance. In this way gambling goes on, because these people get quotations and information about prices of wheat in foreign countries, and they also know whether wheat will be imported from Canada and other places. I think, Sir, this sort of gambling is neither beneficial to the country nor for the good morale of a country and its producers. Therefore, in order to check this evil, I would advocate that, instead of keeping this Bill in force till 1935, it should be extended at least up to 1938. Of course, I can understand the anxiety of some people like my friend, Mr. Morgan,

Mr. G. Morgan: May I rise to make a personal explanation, Sir? I am not showing any anxiety at all. As the Honourable Member has raised the point, what I wish to say is, the agriculturist would still be in the same position as in the last year if the protection were extended to any number of years. If you want to get over the May-June position, the date must be extended to a later month.

Mr. Muhammad Yamin Khan: Sir, one year's guarantee to the producer means nothing. It does not give these people any kind of security. Of course, there are some people who do not want that this concession should be extended beyond March, because they get some kind of grain from other countries to make it into flour and then export it, but, for the sake of these few people who make a little bit of money in this business, why should the whole of India suffer? The Honourable Member in charge had given a good reason when we were discussing the other Bill. He said, why for the sake of a few people the entire country should suffer, and there was no reason certainly that to benefit a few people the whole of the country should be penalised. But I say that in this industry we have very many more people who are engaged in it, a much bigger population is involved, and the livelihood of millions entirely depends upon

the production of wheat. If they do not produce wheat, the land is not fit for producing anything else which can find a good market. They are producing now sugar cane, but it is limited in its usefulness. We find so many factories have arisen, and even sugar cane is not so beneficial as it used to be in former days. *Gur* was sold some time ago at Rs. 10 a maund, but now it is selling at Rs. 1-8-0 a maund, and who will produce sugar cane under such conditions? The whole of Northern India, the Punjab and Sind are dependent upon wheat which is the chief produce. I should have advocated a much higher duty in order to encourage production, but whatever it be, I want that the protection should be extended to more than one year in order to give security to the wheat producers, and I would like the Honourable Member to change his figure from 1935 to 1938.

Khan Bahadur Mian Abdul Aziz (Punjab: Nominated Official): During the course of the debate, reference has been made to the possibility of over-production of wheat. I rise just to lay before the House a few facts that I know about this question. About thirty years ago, I started studying in my own way the question of food as consumed by the people. At that time nearly one-third of the people in the Punjab did not consume wheat, but consumed other cereals, and for only four months in the year they lived on wheat. Even in the bigger towns, the lower class of people considered wheat as a great luxury and they lived on gram or on jowar, and so on. During the last ten years, there has been a considerable rise in the consumption of wheat among the poorer people, but we have not yet reached the point where we can say that there is proper consumption of wheat by all classes of the community. I will just mention one thing. Those that harvest the wheat crop get paid in kind, that is, in bundles of wheat. These poor people immediately go and sell these bundles of wheat to the *bania*, because they consider it as too good a food for them and they live on a mixture of gram, jowar and other cheaper cereals. In the United Provinces, if you go to any village, you can ascertain that all the poor people live on *bhejar*. Similarly, the poorer people in the Punjab live on cereals that have, as compared with wheat, a lower nutritious value, and I hope that the House will not entertain the misconception that we are anywhere near that position when we can be said to over-produce wheat. If wheat is a good food, we do really want all our poor people to have their share of this cereal. If so, I hope those Members, who objected to the transportation of wheat at a cheaper rate to Bengal, will see that the Punjab is doing something in her own humble way to provide a better food elsewhere, and, from that point of view, I am sure that the House will support this motion without any objection whatsoever.

There is one other thing to which I wish to draw the attention of the House. We know that certain areas cannot produce wheat. Sandy soils cannot produce good wheat, and we have got gram still growing there. But owing to the mechanisation of the army, the demand in the army for gram is not so great as at one time it was, and we are, therefore, studying in the Punjab the substitution of a better crop in place of this, but that is no reason why there should be any suggestion that wheat is going to flood the market and that there is no demand for it. With these remarks, I support the motion.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): I venture to seek the indulgence of the House for a few minutes.

[Mr. G. S. Bajpai.]
because Honourable Members, in the course of their remarks, have not limited themselves to wheat, but covered generally the question of the attitude of the Government towards agriculture and the agriculturist.

Now, Sir, it is quite understandable that Honourable Members coming from Madras, based as they are on what can be described as rice economy, are disappointed that rice at the present moment is not receiving the same treatment as wheat. What I should like, however, to say in the first instance in general terms is that Government are not guilty of favouritism as regards their attitude towards a particular class of agriculturists. Take, for example, this question of wheat. The import duty on wheat was imposed more than two years ago, and it was imposed, because there were data available to the Government to show that, unless such action was taken, there was a grave menace of Indian produced wheat being driven out of the market by foreign wheat. I am stating from memory, but I think that, in the years preceding the imposition of the duty, the imports had risen to a figure of a quarter of a million tons or even more. As regards rice, the position is that, during the quinquennium ending 1927-28, the average imports of foreign rice in this country were 16,000 tons, in 1929-30, about 6,000 tons, in 1930-31, 7,500 tons, in 1931-32, 18,000 tons, and in 1932-33, 35,000 tons. Now, Sir, . . .

Diwan Bahadur A. Ramaswami Mudaliar: Now during the last few months?

Mr. G. S. Bajpai: If my Honourable friend will allow me to proceed. On the basis of the production of the Presidency of Madras alone, which is five million tons on an average, this constituted less than one per cent. of the total production of one Presidency in India. Therefore, I think, the House on an impartial view will agree that Government could not, in the light of the figures which I have mentioned, have been justified in taking a year ago, or even in the immediate past, shall we say, the action which was found to be necessary in the case of wheat. But, Sir, the position is that, when it was brought to the attention of the Government that imports of foreign rice were increasing, they took up the study of this question seriously. My Honourable friend, Mr. Amar Nath Dutt, I think, was a little unkind when he said, that such suggestions, as had been made by him and other Honourable Members to Government, had fallen on sterile soil and that there had been no response to those suggestions or representations. I think the story which I told my Honourable friend, Mr. Mudaliar, the other day, will bear repetition. After the Conference in December, I circulated to Honourable Members certain figures which they wanted, and, in the letter, which I sent with those figures, I said that Government were open to receive suggestions from Honourable Members as to what the next step should be. I think I am not betraying any confidence when I say that I have received no response to that suggestion from a majority of the Members; but since my friend, Mr. Mudaliar, returned to Delhi, the question has been pressed on our attention again, and we have also had an informal discussion on the subject. The point I wish to make now is that Government recognise the force of the argument of my friend, Mr. Ramaswami Mudaliar, that the psychological effect on local prices, even of small imports of rice, may be considerable and the House may be interested to know that Government are, at the present moment, considering what action, if any, is necessary in order to prevent that disturbing influence from becoming perpetual. And I hope, Sir, that within the next few days we shall be in a

position to take the House into our confidence as to what action, if any, we propose to take.

Now, Sir, passing from the question of rice, I would like to deal with one or two suggestions that have been made. Mr. Morgan and Mr. Ramaswami Mudaliar both dealt with the desirability of planned economy so as to prevent over-production, be it of wheat, or rice or any other commodity. Reference was made to the production or possibilities of production of wheat on a large scale in Sind, as a result of the bringing of large areas under irrigation under the Sukkur Barrage Scheme. My Honourable friend, Mr. Abdul Aziz, has said something about consumption in this country not having reached the saturation point. That, I hope, Honourable Members will bear in mind, is a point that is relevant to the consideration of this problem, but I think here again I am betraying no confidence when I say that the whole question of the development of agriculture in Sind is receiving constantly the attention of the Government of India, especially of the Economic Sub-Committee of the Executive Council of the Governor General.

Now, Sir, it is not really necessary for me to elaborate my remarks further, but I would like to say one word about what fell from Mr. Yamin Khan and Dr. Ziauddin Ahmad regarding the duration for which the Wheat Import Duty Act is to be operative. I think Mr. Jadhav had a very pertinent answer to the suggestion that this should be extended by three years. We think first that, in a matter of this kind, where we are taxing a staple commodity of food, the House should have an opportunity from time to time to consider whether the interests of the consumer justify a continuance of the duty. The second point to remember is that the imposition of the duty has already raised the price of wheat above world parity. Therefore, it is idle for anybody to argue that the cultivator is not protected to the extent that, consistently with the interest of the consumer, we can protect him. The third is the point regarding gambling. I do not profess to have the practical experience of gambling that my Honourable friend there has, but the point to remember is that the uncertain factor, the factor which encourages gambling, is not necessarily the price of wheat in Australia or Canada, but the actual output of wheat in this country. That is really what people gamble on. Sir, I have said all that I had to regarding our attitude towards this question.

Mr. B. Das: I am grateful to my Honourable friend, Mr. Bajpai, for letting out one little information that the Executive Council of the Government of India possesses an Economic Sub-Committee. I believe they have a certain planned economy about the general economic condition of India, and I hope that when my Honourable friend, Sir Joseph Bhore, will get up to speak—I presume, he is the Chairman of that Committee—he will take us into his confidence and tell us how that Sub-Committee has been working during these few months.

Mr. G. S. Bajpai: I do not wish my Honourable friend to put into my mouth words which I did not utter. I simply said that the question of agriculture in Sind was receiving the attention of Government. I said nothing about planned economy for the whole of India.

Mr. B. Das: I am only referring to the Economic Sub-Committee of the Executive Council. I want a little further light on that subject. I was saying that the Honourable Sir Joseph Bhore will take us into his

[Mr. B. Das.]

confidence as to what they have been thinking about the low level of prices, particularly in regard to wheat and rice about which we have been talking the whole morning. I find that the House is divided as to what blessings it will give to the measure that is before it. I wish to join my very feeble protest, although it cannot be heard at the distant end of the House where the Government Members sit. Somehow Punjab has triumphed and the interest of all other parts of India have been subordinated. The Government are in the position of a hen-pecked husband. Their soul is hen-pecked by the interests of the Punjab. They have no time to think of other interests, as they are hen-pecked. I find that the representative of Bengal and the two stalwart and mighty representatives from the benighted and glorious Madras Presidency exercise no influence in the Executive Council. Punjab wanted the price of wheat to rise, it was done; and Punjab wanted the rates for wheat to be reduced, that was also done.

Mr. Muhammad Yamin Khan: Why are you jealous of the Punjab?

Mr. B. Das: I am asking the Government to be fair and apply the system of rates reduction to other commodities. Unfortunately other commodities, industrial or agricultural, like rice, have no champion in the Government of India or even on the floor of this House. I have some experience of rice. We would like to send rice from Orissa to Malabar, Mr. Thampan's territory, but the Bengal Nagpur Railway and the Madras and Southern Mahratta Railway have combined to make the rates very high, and rice cannot go to Malabar from Orissa. Did my friend, the Commerce Member, consult his dual soul, the Railway Member, and ask the other soul whether some hardship was not caused to these commodities and whether rates should not have been reduced, not only to give a much needed relief, but also to restore price levels in the country. My friend, Mr. Yamin Khan, who hails from the United Provinces talked of gambling propensities of the people. My Honourable friend, Mr. Bajpai, replied to him on that point. I have had the privilege to live in Bombay and I do occasionally pass through Calcutta, and I know this gambling propensity is a propensity of the rich and is a vice of the intelligent stockbrokers in Calcutta and Bombay which are full of gambling dens.

An Honourable Member: Don't exclude Mr. Mody.

Mr. B. Das: Mr. Mody is an industrialist and I won't call him a stockbroker. But, Sir, my friend asked the Government to stop the gambling instinct of a certain class of people in India, because he thought thereby the producer would be benefited.

Mr. Muhammad Yamin Khan: I think my Honourable friend is wrong. I never asked that their *instinct* should be abolished by the Government. I never said that.

Mr. B. Das: I think my friend said the wheat producer, the poor peasant would benefit.

Mr. Muhammad Yamin Khan: My tenants produce wheat—not I.

Mr. B. Das: I am not thinking now in terms of landholders, I am talking in terms of peasants and farmers. The peasants and farmers produce wheat and rice. If the middlemen, as my friend, Mr. Yamin Khan, characterises the Rallis, the Volkarts, Kilachands, etc., and even the Tatas, who finance money to these people, gamble on the stock exchange and thus raise the price, the enhanced price on the stock exchange does not in any way filter down to the poor cultivator. The latter does not get even the price my friend, Mr. Yamin Khan, suggested, after his produce is harvested and taken to the market. The price he already receives as advance during the crop season from landholders like my friend, Mr. Yamin Khan, or through middlemen like the Rallis and others leaves him very little margin of profit for that produce.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What is your point?

Mr. B. Das: My point is this. Government are no doubt right in bringing this Bill for one year, because the Government know themselves they are not doing the right thing by other staple products. They are partial to one particular kind of staple product only, namely, wheat, and they have neglected the biggest staple product—rice. Any proposal for increasing the duration of the protection is wrong. Government should bring out a consolidated Bill, and thereby not only help the wheat, but the rice industry as well; but, at the same time, they should consider whether wheat deserves the Rs. 1-4-0 protection which has been given for the last three years. I think the time has come, as the price of wheat has risen in India above the world parity, the amount of duty fixed in the Bill should be reduced in the new consolidated Bill. Sir, I have only one word to say about the wheat agreement that was referred to this morning. I wish to draw the attention of my Honourable friend, Mr. Mudaliar, to one vital fact. I do not want to ask my friend, Mr. Morgan, to take note of it, because his interest and the interest I want to advocate are quite different.

Mr. G. Morgan: Why? Why?

Mr. B. Das: In a year or two, Sir, we are going to face provincial autonomy. Now, is it going to be real autonomy, or is everything going to be controlled by the Central Government who are trying to control the co-operative movement, the agricultural movement and other movements? My Honourable friends, Mr. Bajpai, or Sir Fazl-i-Husain may wish for such control from Simla and Delhi, but how can they lay down what amount of rice should be grown in Bengal, Orissa or Madras, or what amount or kind of wheat will be grown in Sind, the Punjab or the United Provinces? Sir, if that be so, it is quite beyond my comprehension, and if that is the idea of provincial autonomy that my friends designed in the various Round Table Conferences and wish us to accept, then, I say, such a kind of provincial autonomy will not be accepted, and, under the new Constitution, nobody will tolerate any interference on the part of the Central Government on such questions like the production of crops in each provincial area, and so on.

Mr. Muhammad Yamin Khan: Would my Honourable friend like Tariff Bills and such things in order to control the industries, but not measures to control an industry in which a much larger population, the agriculturists, are concerned?

Mr. B. Das: I represent here the agriculturists of a Province. I do not want any interference by the Honourable the Law Member even, that my people in Orissa won't grow rice and that they must buy rice from Bengal. Sir, it is only the capitalists, gambling at the stock-exchanges, who want to restrict production, so that they may make more middlemen's profits and I want that the effects of such practice should be borne by everybody, before they, either here or outside in the country, moot such proposals.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadian Rural): Sir, while I associate myself with what has fallen from my Honourable friends, Raja Bahadur Krishnamachariar and Diwan Bahadur Ramaswami Mudaliar, in regard to the protection for rice, I have yet another grievance. Sir, I refer to the coconut industry of Malabar. (Hear, hear.) (Laughter.) Sir, you might remember that when you were on this side of the House with us, when the question of ratifying the Ottawa Agreement came up for consideration before this House, I had to put up a fight with regard to the duty of copra or coconuts exported from Ceylon. Ceylon is the chief country that competes with Malabar in this respect. Sir, the revenue duty on copra at that time was 25 per cent *ad valorem*. According to the terms of the Agreement arrived at at Ottawa, for which, so far as India was concerned, you are unfortunately or fortunately responsible (Laughter), the duty for copra from empire countries was reduced from 25 per cent to 20 per cent and the duty for that of foreign countries was raised to 30 per cent. The chief principle of the Ottawa Agreement was that there should be a difference of 10 per cent between empire products and those of foreign countries. I suggested that the revenue duty of 25 per cent might be continued for Ceylon, and that for foreign countries it might be raised to 35 per cent. The Honourable the Commerce Member said that the coconut was a raw produce and he had his sympathies with the capitalists of Bombay. There were several oil mills in Bombay which, with the big one in Ernakulam, started by the Tatas, were consuming a lot of more copra than we could supply, and the Honourable Member, in his sympathy with the millowners, did not care to pay heed to my representations. Now, I want to invite the attention of the House to the present position of the import of copra and coconut oil from Ceylon.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member cannot go into such details.

Mr. K. P. Thampan: My difficulty, Sir, is this. Non-official Members are precluded from proposing any amendment to include in this Bill a provision for a duty, for instance, on copra, because your rules say that it is a matter which affects the revenues of the country and so the sanction of the Governor General is necessary. Unless the Member in charge secures us the required sanction which he never does, we are helpless to put forward any constructive proposal and our only remedy is to oppose a measure which we think is defective; and if you want that I should oppose this Bill without assigning reasons, I am perfectly willing to do that, but if on the other hand, you want me to state my reasons

Mr. President (The Honourable Sir Shanmukham Chetty): With regard to the Honourable Member's grievance about the coconut, he will get an opportunity when the Finance Bill is introduced. He can then talk as much on the coconut as he likes, but on this occasion he cannot dilate on the coconut.

Mr. K. P. Thampan: My position is this. I am personally a coconut grower and represent them here, and, if I am prevented on this occasion to ventilate my grievances at length and get them redressed, I must oppose and vote against the motion, however much I may sympathise with its merits.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): Sir, I rise to support the arguments of my friend, Mr. Amar Nath Dutt, and to oppose his attitude as regards the passing of this measure. I think my friend, Mr. Amar Nath Dutt, is, in his heart of hearts, for this motion, but he wants that the main grievance of Bengal as regards paddy should also be sympathetically considered by Government. I am very much doubtful if our Punjab friends want this measure seriously. I find the House is conspicuous by the absence of all the Non-Official Members from the Punjab. I can understand my friends, Mr. Puri, Mr. Aggarwal and Sardar Sant Singh or even Sirdar Harbans Singh, remaining absent, because they are busy lawyers earning money. But what about the other Non-Official Members from the Punjab such as Mr. Fazal Haq Piracha, Nawab Talib Mehdi Khan, Syed Rajan Bakhsh, Sirdar Sohan Singh and others? Even Mr. Shah Nawaz, who is in Delhi, is also absent. Bhai Parma Nand does not care to come from the lobby. Sardar Jawahar Singh and Captain Lal Chand are also absent, so almost every body from the Punjab is absent, both elected and nominated Non-Officials. Perhaps they think that their interests are quite safe in the hands of the Government, because Sir Fazl-i-Husain is there to look after their interests. I wanted their presence in the House only from one point of view. I wanted to know their views about our grievances about grain and paddy, so that we could settle what should be our attitude towards the present Bill. Anyway, I think Mr. Amar Nath Dutt complained that we have no strong representative in the Executive Council of His Excellency the Viceroy.

Mr. Amar Nath Dutt: I did not say that: it was Mr. M. Maswood Ahmad who said that.

Mr. S. C. Mitra: Yes, it was Mr. Maswood Ahmad who said that. Once even my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, said that Bengal had always good representation in the Executive Council. I wish to say once for all—and my views are perhaps shared by other Members from Bengal—that we do not want that prominent and only big lawyers, who earn three or four times the amount of Rs. 8,666-10-8 which is the pay of an Executive Councillor, should become the Law Members of the Viceroy's Executive Council. We want that the Bengal representative should have the portfolio of Commerce or Industry where he can make his influence felt. I know that the portfolio of the Law Member is sinecure and the Bengal lawyers merely sacrifice their large income from the bar simply from a spirit of patriotism, but do not benefit anybody.

Mr. B. S. Sarma: No Bengalee would be available as a Commerce Member.

Mr. S. C. Mitra: For the benefit of my friend, Mr. Sarma, I can say that even the President of the All-India Federated Chambers of Commerce for the year is Mr. Nalini Ranjan Sarkar, who is a Bengalee. If Sir C. P. Ramaswami Aiyar could serve as Commerce Member, many Bengalees can

[Mr. S. C. Mitra.]

aptly do the same. Mr. Sarma knows it for himself that he had to leave Madras for Bengal to earn his livelihood from the industries of Bengal which he could not do in his own province. So it does not lie particularly in his mouth to contradict me.

Sir, one other thing that we have heard is that there is an Economic Sub-Committee in the Executive Council. My friend, Mr. B. Das, has appealed to Government that they should enlighten this House as to what are the duties of that Sub-Committee of the Executive Council which is to look after the economic interests of the country. Does it consist of only one Honourable Member, Sir Fazl-i-Husain, or there are other Members also? Sir, whatever may be the attitude of the Punjab Members, we the Members from Bengal, agree that this wheat protection measure should be passed and we also agree with Mr. Jadhav that it should be brought to this House year after year for renewal, as long as it is necessary.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I find that Bengal is absolutely out for a revolt this morning in the House. I never thought that terrorism was introduced in this House also. Whatever it may be, I think this wheat import duty and its extension only for a year should not have been the subject for such a heated discussion. The main argument is that as wheat production goes on increasing because of the Sukkur Barrage and other canal fields, Bengal is very much apprehensive of the wheat being imported from either the United Provinces or the Punjab to rice eating Provinces. Sir, from the *Indian Trade Journal* of 2nd February, 1933, it can be proved that the acreage under wheat has decreased by four per cent. I do not see, therefore, any reason for Bengal to complain now as will appear from these figures:

"The total acreage sown in wheat is estimated at 31,29,000 acres as against 33,78,000 acres at this time last year."

Therefore, as the acreage is going down considerably, I do not see why my friends from Bengal should be so much apprehensive of the wheat being imported from the Punjab or the United Provinces to Bengal. It is not necessary that when the production of wheat in the Punjab or the United Provinces is increased, it must all be taken to those Provinces that consume rice. My friend, Mr. Abdul Aziz, has already said that the poorer class people generally do not eat wheat, but they dispose it of in order to pay their rents. Can there be any reason why my friends from Bengal and Madras should grudge that the tenants in the United Provinces or the tenants in the Punjab should be able to get a little rise in the price of their wheat and thus be able to meet the present depressed condition of their own people? If there is to be a legislation by the Government to favour the rising of the price of the rice, we on this side of the House, at least Members from the United Provinces and the Punjab, will not oppose and will not generate that heat which is being generated today in the House, simply because a little rise in the price will be effected by the raising of this duty. Sir, we know as well that Australian wheat and wheat from other countries is being imported to Europe and other places. Our wheat does not find much favour these days. So, if duty on Indian wheat is to be opposed, I think the people from the United Provinces and the Punjab and other wheat producing areas will have to oppose some day if the duty is raised on rice. Besides, this internecine and provincial war should not

be the burden of songs of our friends, either from Bengal or Madras. With these words, I support the motion.

The Honourable Sir Joseph Bhore: Sir, there is very little for me to say after the very effective contribution to the debate which has been made by my Honourable friend, Mr. Bajpai, and also after the illuminating remarks which have fallen from Mr. Abdul Aziz. I am quite sure that my Honourable friend, the Raja Bahadur, is far too large-hearted to oppose this measure, simply because he does not at the present moment see in sight some protection for his own rice, and I hope that what Mr. Bajpai has said will, to some extent, relieve his anxiety on that score. Let me say, Sir, that there is no one here who would not deeply deplore his absence from this House if the verdict of his electorate on a future occasion deprived us of his presence here. Certain Honourable Members suggested that the Government of India were concerned only with the question of wheat and in the matter of giving preferential treatment to that commodity. But I endeavoured to remove that apprehension the other day by pointing out that, so far as Railway rates were concerned, we were giving special rates, preferential or concessional rates, not merely to wheat, but to rice, sugar-cane and sugar, and that we were considering the question of concessional rates for oil-seeds as well. I understood my Honourable friend, Mr. Das, to suggest that we should reduce the rate for the export of Uriyas from Orissa, and we shall certainly consider that proposition, Sir, if he would put it up as a practical suggestion at some convenient time. On one point, I should like to register a most emphatic protest. I do not think that any one is justified in suggesting that any Member of the Executive Council represents one particular interest or one particular Province in the deliberations of the Executive Council. (Hear, hear.) Allow me to say, Sir, that they represent not Provinces, not Provincial nor parochial interests, but the interests of India as a whole. (Hear, hear.)

Mr. S. C. Mitra: Constitutionally we all do the same, but practically we do represent our Provinces.

The Honourable Sir Joseph Bhore: I do not think there is anything further for me to refer to. The point made by my Honourable friend, Mr. Yamin Khan, as regards the duration of this Act, has been, I think, sufficiently met by Mr. Bajpai, and I would suggest to him that had he felt that it was a matter of real importance, he should have put forward an amendment to that effect. I would ask the House to take the Bill into consideration.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill further to extend the operation of the Wheat (Import Duty) Act, 1931, 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."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill be passed."

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, I am thankful to you that my slim figure has at last caught your eye. Sir, I sincerely congratulate the Honourable the Commerce Member for bringing forward a really beneficial measure. It is also a matter for self congratulation, because measures such as this at rare intervals make the life of a Member of this side of the Assembly tolerable. At times, even the Government of India, though seldom, err into humanitarian feelings, and this is one of their lapses. There is a silver lining in every cloud, and in the grave and menacing cloud of protection, further protection, more protection and more and more protection and all-round protection, this measure is a silver lining. The steel frame of the Indian Civil Service has for once given way, and it is a matter of congratulation for all of us. The caravan, for once, has stopped to listen to the wails of the Punjab wheat producer, and my hearty congratulations are to him. The great Punjabi, the Honourable Mian Sir Fazl-i-Hussain comes from the rural Punjab—I speak on behalf of the Rural Group. As such, the Honourable Sir Fazl-i-Hussain had first hand knowledge of the troubles and woes of the wheat producer. The Wheat Act of 1931 was an outcome of his large heartedness. Paddy is a much more important agricultural produce of India, and a much larger number of people, either directly or indirectly, depend upon it for their living. But this paddy is the worst affected crop of India, and Government have not yet done anything tangible to protect the rice producers. The effect, if any, of the Ottawa Agreement has been negligible indeed on the rice market. Burma has played havoc on Indian rice, and the imports of rice from Siam and Indo-China and other countries have added fuel to the fire. I sincerely believe that the Honourable Sir Joseph Bhore will do as much for rice, if not more, as the Honourable Sir Fazl-i-Hussain did for the Punjab wheat. Early steps should be taken to impose heavy tariff duties on imported rice from foreign countries. The separation of Burma, which is already a settled fact, should be expedited by all possible means, so that Burma rice may be treated as foreign rice. I may also mention that the sum and substance of the arguments of Mr. Bajpai were that imported rice from foreign countries was not in sufficiently large quantities to warrant a tariff duty. I think he did not include Burma rice in the figures.

Mr. G. S. Bajpai: I did not include it, because Burma is part of India now.

Mr. Sitakanta Mahapatra: Railway freight rates on rice should be reduced to the irreducible minimum, and, over and above all these steps, arrangements should be made for the purchase of rice by the Government and for controlling the rice market in the country. I have no doubt that the Honourable Sir Frank Noyce will also do his best to help the Honourable Sir Joseph Bhore in the matter. If rice is not able to raise its price, while the two great Madras Civil Servants are in charge of the two Departments of Commerce and Industry, and also when the Honourable the Law Member from Bengal is there to render legal assistance, I shudder to think what will happen to the Southern and Eastern Provinces of India. With these words, I support the motion.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill be passed."

The motion was adopted.

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 Sir Shanmukham Chetty) in the Chair.

THE STEEL AND WIRE INDUSTRIES PROTECTION (EXTENDING) BILL.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I move:

"That the Bill to continue for a further period the provisions made by certain Acts for the purpose of fostering and developing the Steel Industry and the Wire and Wire Nail Industry in British India be taken into consideration."

I have come before the House asking for an extension of the *status quo* in respect of protection for certain articles covered by measures referred to in this Bill. To my mind, Sir, the measure is inevitable. I would like to assure the House that there is absolutely no ground for the suggestion that the need for this extending measure could have been avoided. A chronological statement of the work of the Tariff Board and of its members will, I think, be quite sufficient to dispose of that suggestion. The Tariff Board completed its cotton textile inquiry by the 10th November, 1932. Thereafter, its President went on leave and the reconstituted Tariff Board began its inquiry into the sericultural industry early in December, that is to say, at the earliest opportunity which it had to function after the change. It continued its inquiry into the sericultural industry until about the middle of May, 1933, when its report was submitted to Government. After that the President was asked to inquire into the case of those industries which had applied for protection under the Safeguarding Act, and he was engaged upon this until August, 1933, when he was asked to proceed with the iron and steel inquiry without further delay. Indeed, Sir, he had to interrupt his work in respect of the safeguarding of industries to begin the iron and steel inquiry. Since then, the Board has been engaged in this inquiry which, as the House will realise, is not only a very difficult one, but a very extensive one indeed. No one will, I think, suggest that the Tariff Board has wasted its time since it began this inquiry, and I now understand that its report will not be in the hands of Government until some time in May. I may say that if its report is received in May, we may well consider it to have done its work with considerable expedition. As I have said, Sir, this measure appears to me to be inevitable and I move for its consideration.

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill to continue for a further period the provisions made by certain Acts for the purpose of fostering and developing the Steel Industry and the Wire and Wire Nail Industry in British India be taken into consideration."

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I regret I have to oppose this motion, though I know it will be carried. I am doing it with a full sense of the result of the motion made by my Honourable friend, the Commerce Member. But I think certain facts ought to be brought to the notice of this House, before it agrees to the motion which, I suppose, it is going to do. In the year 1932, long before this inquiry was due, there was a Resolution moved in this House by my Honourable friend, Mr. Amar Nath Dutt, and at that time full dissatisfaction was shown regarding the way in which this protection was being utilised; and to the series of allegations that were made by my friend, Mr. Amar Nath Dutt, Sir C. P. Ramaswami Aiyar, who was then in the place of my Honourable friend, said that these were all points that would be subject to an inquiry which was to come into existence under, I believe, section 3 of the Steel Protection Act, and that they would be duly considered,—a formula which Government have always in their armoury whenever they want to put off any inconvenient inquiry regarding the action that they have either authorised or that they took themselves. Sir, I find from the Statement of Objects and Reasons that the inquiry was ordered in August, 1933. I do not want to charge anybody with anything, but it seems to me that, taking into consideration the fact that it occurs along with the statement contained here, Government had either made up their mind that there is going to be protection or that protection would inevitably follow, and it is on that aspect that I respectfully want to lay a few facts before the House. As I said, I do not allege that Government had already made up their mind, but, if language means anything, it certainly tends to the proposition that this was probably working at the back of the mind of somebody there. This is what the Objects and Reasons say. After stating that the time for protection expires on the 31st March and reciting the terms of section 3 which requires the Governor General to cause an inquiry to be made not later than the expiry, in order to find out whether the protection should be extended or not, and that the inquiry was entrusted to the Board along with other matters in August 1933, it says:

"The enquiry by the Tariff Board is not expected to be completed before April, 1934, and consequently any further protection that it may be necessary to grant to the industry as a result of the enquiry cannot come into operation immediately after the 31st March, 1934, when the protection now enjoyed by the industry will expire."

There was, therefore, a 50 per cent chance that it was in the mind of Government that this protection may have to be extended:

"The Government of India consider it desirable that continuity of the protective scheme should be maintained and they are accordingly of opinion that, pending a decision on the question of further protection, if any, to be granted to the industry, the operation of the existing enactments.....should be extended by a short period."

This sentence requires careful attention. Sir, why should continuity of protection be maintained? If you made up your mind that protection will come into existence, I say, you cannot do it. But the continuity of protection depends upon circumstances about which you have started an inquiry, and the result you do not know. Therefore, I submit that this

sentence is an indication of what probably was passing in their mind, which is strengthened by the fact, I submit, by the report contained in a newspaper under date 28th December, Calcutta:

"It is understood that the Government of India have informed the Tariff Board inquiring into the question of further protection for the steel industry that no interim report would be necessary as there is already provision in the present Tariff Act to extend the period of protection for a further period of one year."

That, I respectfully submit, points to the fact that the Tariff Board need not be particularly anxious to make an inquiry, because we have already a section in the Act and we are going to extend it. That, I submit, is the meaning of that message that they need not submit an *ad interim* report, because we have got the power, and, I suppose, if necessary, as it has now become necessary, we could extend it. That brings me to what I said some time back about *sarkarka nowkar* and *bengunka nowkar*; the Government of India had entrusted an inquiry in August, 1933, and, from the chronological history of the working of the Tariff Board, probably it was not possible to do their work within the time fixed. But if that could not be done, Government ought to have made other arrangements. But that is not my point. My point is that they do not want to hasten this inquiry, because under the Act they have got the power.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What Act and what power?

Raja Bahadur G. Krishnamachariar: The Act is the Steel Industry Protection Act and the power is the power to extend the protection for a further period of one year without a report of the Tariff Board. I hope I have made it clear.

Sir Cowasji Jehangir: Then why are we considering this Bill here?

Raja Bahadur G. Krishnamachariar: My Honourable friend, Sir Joseph Bhole, will probably reply to you: I do not know: the Government, knowing the fact that they had the power to extend it for another year. . .

Sir Cowasji Jehangir: My Honourable friend means that he does not know the existing Act.

Raja Bahadur G. Krishnamachariar: All of us are not industrialists who specially get by heart their one Act and pray and swear upon it: we have got a larger extent of thinking to do, and, consequently, I entirely plead guilty to the statement of my Honourable friend that I do not know the Act. I am prepared to yield to him, and, perhaps when his time comes, he will tell us what that Act contains, in order to smash me.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Is there any provision?

Raja Bahadur G. Krishnamachariar: This is what the message says. Is there or is there not a provision is the point. If there is a provision, then I am right. If there is not, I plead guilty to the Honourable Sir Cowasji Jehangir's indictment of me that I do not know the Act.

The Honourable Sir Joseph Bhore: I am not aware of any such provision. I should be glad if my Honourable friend will bring it to my notice.

Raja Bahadur G. Krishnamachariar: I only asked if there was not that provision: then this message is not correct, and I plead guilty to my Honourable friend's charge that I do not know the Steel Protection Act. I am not ashamed of it: there are many things we are ignorant of, and this merely adds another to that list, and, as I said, I am not ashamed of it. . . .

Sir Cowasji Jehangir: Forget it.

Raja Bahadur G. Krishnamachariar: It is no question of forgetting: it makes it all the more necessary for me to make the statement that I am going to do. Regarding the way in which this Company has been managed, I have no doubt that the whole question will come up before the House when the full report is made; but there is one point that I think I ought to bring to the notice of this House—again probably due to my crass ignorance of the provisions of the Act. But whatever it is, it is what strikes a man who has not understood the Act but who has heard something about how these things are going on. In 1932, when this Resolution was under discussion, Sir C. P. Ramaswami Aiyar, fortunately or perhaps unfortunately, referring to the question of sale of pig iron, stated:

"If the Company sold pig iron to A or to B or to somebody else, shall we interfere with their course of sale? Then the Company would throw up their hands and say 'Well, you interfere with my sale and here I have been put to a loss; therefore, you have got to make up for it.'"

These were the eloquent words in which Sir C. P. Ramaswami Aiyar represented the position, but unfortunately the President of the Tariff Board has got quite different views upon the question of the sale of pig iron as well as the position which he characterises as that of the Company. The President said:

"Another question that arises is the very important question of the price at which pig iron is sold. We have had a great deal of discussion since we examined you last, regarding the question of pig iron prices, and I should like to put to you the position of pig iron as far as we are able to understand it at this stage. The complaint we have received about pig iron prices comes largely from small foundries, and it amounts to this, that the price charged to them in the country is considerably higher than the export price. It is also higher than the price at which pig iron is sold to some large purchasers in the country. I have examined the relation between the prices of foundry-iron and basic iron in other countries and I cannot find any country in the world where there is a difference of this magnitude. To my mind, it is a very unreasonable position."

If I had the time or if there was any necessity for it, I would read the whole discussion between these gentlemen who represented the Company as well as the President of the Tariff Board where he insists and comes to the conclusion that the position is most unreasonable. He wound up by saying:

"It is for the Tariff Board to see that those small industries do not suffer while major interests are safeguarded."

On opening the issue of the *Hindu* that I got this morning, I found the following advertisement about the progress of the Indian steel industry by the Tata Iron and Steel Company:

"Whereas, in 1906, the output of India was only 1/2000th part of the annual world production of pig iron, while for steel we had to go to foreign countries, in the year 1932-33, 72 per cent. of India's requirements of the kinds of steel produced at the works at Jamshedpur were supplied by the Tata Iron and Steel Company. This included practically 100 per cent. of India's requirements of rails, about 80 per cent. of her requirements of steel sleepers, structural sections, plates, etc., etc."

Now, I trouble this House with a quotation like this, because the discontinuity of protection is not going in any way to divert the operations of this Company, which, according to its statement in the advertisement, has practically captured the Indian market, having had this protection in one shape or another for the last nearly 20 years—certainly for the last seven years. My friend, Sir Cowasji Jehangir, may get up and say: "Where did you get your figures from? You are entirely wrong." But, I think, I can say, at least for the last seven years they have been having this protection; and when I oppose this, I am not doing it in a hostile or unfriendly spirit, although, of course, the spirit in which I move it is nothing to the Company, I believe and honestly believe—I do not make it as a mere matter of debate here—that the late Mr. Jamsheedji Tata was one of the great benefactors of India in having brought into existence this industry of such magnitude, one of the key industries in India. That is absolutely no reason why I should support the position that the Government want to take up now in order to extend the protection to this industry, because I will say why I am opposing it. There is another reason. The amount, I think, that goes into the pockets of this Company in a year is about Rs. 2½ crores on account of protection being granted. There is agricultural depression all over India. We wanted a remission of land revenue, and they would not give us any remission, because—it would be a long quotation to trouble the House with now—but the Finance Member of the Madras Government in introducing the budget said that it would involve a loss of Rs. 69 lakhs if what we wanted was granted to us. Now, if you only withheld this protection for half a year, you would get about Rs. 1½ crores in some way, and I think the Government of India might arrange to give out of that money to the Madras Government at least this 69 lakhs and say: "Here is the money; you had better relieve the agriculturists instead of allowing this protection to continue." My Honourable friend, Sir Cowasji Jehangir, laughs at my statement. As I said at one time, he was born with a golden spoon in his mouth; he does not understand anything about agricultural distress; and why should he trouble himself about it? Therefore, his criticism is of absolutely no account, and I respectfully request this House not to pay any attention to his criticism—I think he is taking notes. But I am quite prepared to get a smashing from him, but I would request the House, before I sit down, not to pay any attention to his criticisms, because it is just like the story of the ruler. When this ruler was told that famine was raging, he said: "*Khichdi bhi nahi miltha!*" My friend, Sir Cowasji Jehangir, is in that position. I am not in that position. Consequently, when the Government say that there is no money to give us, poor agriculturists, I point them out here a source from which they can give help to agriculturists. Further, Sir, this Company will not be inconvenienced in any way, because, from the statement of facts contained in this advertisement, which I have just read out to the House, it is clear that they have already captured the whole of the Indian market, and if Government stop giving them protection, the

[Raja Bahadur G. Krishnamachariar.]

industry will not be dislocated to such a great extent, because they will get the protection as a matter of course later. That is quite clear, whatever may be the range of the discussion in this House, for whatever length of time you may carry on the discussion here, we all know what the result is, because, after the discussion, you, Sir, will put the motion and say: "As many as are of that opinion will say 'Ayes' and those against 'Noes'"; and you will find that you get 89 solid votes for the "Ayes" and probably 10 for the "Noes"

An Honourable Member: You will get more than 89 votes for the "Ayes".

Raja Bahadur G. Krishnamachariar: We all know the result. There is an old proverb which says that a hungry man looks at his past accounts just to see if anything could come out of his balance. Being in that position, I am trying to point out to the Government the source from which they could help the poor agriculturists. That is the more important reason why this protection should not be granted to this Company. I have nothing to say against this Company, in fact no one has got a greater admiration for the Company than myself, and if this Company's progress is going to be hampered at all by withholding this protection for six months, I would be the last person to come in its way, but, I say from the facts which have come to light, it is clear that they are not going to be hampered in the least, and six months is such a short period that they can afford to get on without this protection. We all know that the Simla Session ends in September, and by the end of September, this Company will certainly get this protection, and I shall be happy because I shall also get my remission, and everybody will be quite happy, except my friend, Sir Cowasji Jehangir, who, I know, is spoiling for a speech, and, therefore, I give him the chance.

Mr. S. C. Mitra: Sir, I support the motion for taking this Bill into consideration, because at this stage it is almost inevitable for us to extend the life of the earlier Act for a further period, but I do not know why Government should ask the House to extend these Acts temporarily every time. It was known to Government for the last seven years that a Tariff Board inquiry would be necessary, not only in connection with this measure, but also in connection with the Textile Act as well, but it was just this morning only that the House was asked to temporarily extend the life of the Textile Act. I quite appreciate the point made by the Honourable the Commerce Member that the Tariff Board was very busy doing real and substantial work, but I do not see why there should be only one Tariff Board for India. It is possible that the Tariff Board may be engaged for some months or for a longer period on big questions, but is it contended that during all this time other industries which can rightly claim protection should be debarred from having an investigation undertaken by this Board? I think the reason advanced by the Honourable the Commerce Member that the Tariff Board were engaged on big issues and could not afford the time to attend to other industries is not sound enough; the pre-occupation of the Tariff Board with one item for protection does not necessarily mean that all other industries requiring protection have to wait until the Tariff Board is free. I feel that an expert body with long experience behind it may have larger chances to do justice, and I personally know that the Chairman of the Tariff Board and other Members are all very worthy and capable men, but I do not

think it can be said that throughout the whole of India we cannot find another group of three men among our industrialists or financiers or economists to form another Tariff Board

An Honourable Member: This Assembly itself can provide any number of Members.

Mr. S. C. Mitra: No, Assembly Members are not entitled to have any such place in the Board so long as they are Members of the House. My point is, when it was known to the Government for a long time past that investigation into various industries would have to be carried on, they should have made adequate provision for it, and there would have been no necessity for asking for these temporary extensions.

As regards the period, Sir, it happens on many an occasion that when a Report is submitted, generally only one or two weeks are left before legislation is taken up in the Assembly. Members of the Assembly are not provided with the Reports of the Tariff Board in proper time, nor with the evidence tendered before the Board, and the whole thing is hustled through afterwards. That has become almost a regular practice in this House. Of course, Government can take their own time over the important Reports of the Tariff Board, but this House should be given sufficient time, after the publication of those Reports, to read them through and come to a proper decision. If necessary, the Government can take a few months more now, but there should be no attempt to hustle us through, on the ground that the life of the Act would expire soon and so forth. With these few words, I support the motion.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I rise to support the motion moved by my Honourable friend

An Honourable Member: You support?

Mr. B. Das: Yes, I support it, except the wheat measure, which arose out of favouritism, I support all measures of protection, and I even advocate protection for rice. I have a good deal of sympathy with my Honourable friend, Raja Bahadur Krishnamachariar. I am afraid my friend, the Raja Bahadur, mistimed his speech. Had he made his speech when the main Tariff Board Report was published, I would have conceded that some of the points raised were such that they needed the attention of this House at the time, and I know the Resolution which my friend, Mr. Amar Nath Dutt, moved in Simla two years ago and the object which he had in view and the interests which prompted him to move that Resolution, those interests must have represented their view before the Tariff Board

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): On a point of personal explanation, Sir. I had no interest in the matter.

Mr. B. Das: I mean those interests on whose behalf you spoke, those small structural engineers, those small Indian foundries which were not making much headway, because pig iron was not sold to them at an economic price, I hope those interests are alive in the country, and they have submitted, whatever they had to say, before the Tariff Board, and their evidence and the Board's recommendations will be available to this

[26TH FEB. 1934.]

[Mr. B. Das.]

House. Naturally we wish to see that if any further protection is given to the Tatas, the Tatas also function as a supplier of pig iron and similar raw materials to smaller industries, and they must give certain relief, particularly in the matter of pig iron. As my friend, the Raja Bahadur, talked of the question of pig iron, I also raised the question, last Session, of Japan levying heavy duty on the exported Indian pig iron. The Honourable the Commerce Member has not yet made the Indo-Japanese agreement available, and so we do not know whether that aspect of the question was discussed, and whether, in spite of the most favoured nation treatment that Japan expects from this House, Japan can put heavy duty against Indian pig iron, as she has done during the last three years. In that case, how can there be that most favoured nation treatment when there has been retaliation against Indian pig iron and against the prosperity of Indian rice? I would tell my Honourable friend, the Raja Bahadur, that the procedure which the Honourable the Commerce Member has adopted today is not a new one. The Bill which this morning this House passed—it is another Bombay Bill—to amend the Cotton Textile Industry Protection Act

An Honourable Member: It is an all-India Bill, not a Bombay Bill.

Mr. B. Das: To me it is only a Bombay Bill. These duties were due to expire on the 31st March, 1933, and were extended up to the 31st March, 1934, by two amending Acts passed last year. The principle that is involved in the Indian Steel Protection Bill this House has considered on three different occasions, and at that time no definite opposition was offered by any Member of this House on the principle of the question.

Mr. S. C. Sen (Bengal National Chamber of Commerce: Indian Commerce): Two wrongs do not make one right.

Mr. B. Das: I do not know if my Honourable friend, Mr. Sen, who represents the Bengal National Chamber of Commerce which is one of the biggest commercial bodies in this country, remembers that he has always approved of the procedure which the Government adopt in this instance in order to save industries from total ruin. If the suggestion of the Raja Bahadur is adopted, what would happen? For six months there would be dumping of steel, pig iron and other things, not only from England, but from the continent. After six months—I do not know yet if protection is necessary, if any, but if it is found that protection is necessary, what will happen? The Tata Steel Works would have to compete against a large stock of iron and steel, and the protection we may give would be of no avail. This steel protection scheme is not a novelty. It comes up before this House every year like King Charles's head. For instance, we had the galvanised iron protection measure every year for three years, and we have discussed this steel question on so many occasions. The impression that is left on my mind is that the industry still needs protection, but, whether it needs protection or not, that is a point for the Tariff Board to go into and give their decision. I hope that the House will approve of the motion of my Honourable friend, the Commerce Member.

The Honourable Sir Joseph Bhoré: I do not propose to deal with criticisms which refer to the merits of the case for protection: indeed, it would be entirely improper for the Government at this stage to express

any opinion which might be interpreted as either supporting or rejecting a scheme for protection. The issue in the present case is a very narrow one. The issue is, whether, having regard to the fact that the scheme of protection which is now in existence will come to an end by the 31st March next, and having regard to the fact that this House will not be in a position to record its final verdict until its next Session in Simla, we should extend the existing system of protection or not. My Honourable friend, Mr. B. Das, made an effective reply to my Honourable friend, the Raja Bahadur, when he said that if, as a result of the Tariff Board's enquiry and as a result of the examination of the case by this House, it was decided eventually to grant protection, then, Sir, the lapse of protection at the end of March would place the industry in a very difficult position, and, further, it might help to render nugatory to some extent the sacrifices that have been made by the country in the past years in order to establish the industry. I think that that establishes an overwhelming case for the Bill that I have placed before the House.

With regard to what my Honourable friend, Mr. Mitra, said, I would only reply that it is not a very easy matter to constitute two Tariff Boards dealing with questions of the first importance and magnitude, and I would submit that he really has no ground of complaint in regard to the time that is made available for the study of Tariff Board Reports before the matter is taken up in this House. I may say that I have deliberately refrained from making a second motion in regard to the Cotton Textile Protection Bill until well into March, in order that Honourable Members might have no just cause for complaint on that score. So far as I am concerned, I realise the justice of the demand that my Honourable friend has made, and, as far as it lies in my power, I will see that the most ample provision of time is allowed to Honourable Members to study the relevant literature in the shape of Tariff Board Reports, before I bring up any legislative measure on the subject concerned before this House.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill to continue for a further period the provisions made by certain Acts for the purpose of fostering and developing the Steel Industry and the Wire and Wire Nail Industry in British India be taken into consideration."

The motion was adopted.

Clauses 2, 3 and 4 were 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 Bhoré: Sir, I move:

"That the Bill be passed."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill be passed."

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, Raja Bahadur Krishnamachariar, President of the Rural Group, has already entered his protest against this measure. I also join my feeble voice with

[Mr. Sitakanta Mahapatra.]

him on behalf of the Indian consumer. The general consumer of industrial products, the general tax-payer and the poor agriculturist, is practically one and the same man in India. In order to strengthen my voice, I cannot do better than quote a few lines from the speech of Sir Charles Innes delivered on the floor of this House on the 16th of February, 1923:

"Our policy of protection must increase the level of price for the consumer generally and particularly for the agricultural and middle classes. There is no getting away from this fact.....But in India we have a country of 300 millions. Two-thirds of that population are agriculturists. Most of them are poor, and the standard of comfort is low. One thing I think is certain. If the agricultural classes were able fully to bring their influence to bear upon this Assembly, I doubt very much whether this Assembly today would accept my amendment.....The agricultural classes in every country in the world, I think, I may say this with confidence, stand to gain the least and lose the most by a policy of protection."

This prophecy of the great Commerce Member has come to be too true. Since this statement was made eleven years ago, the Indian general consumer and agriculturist has become poorer still. I believe, Sir Charles Innes was a true friend of the Indian peasant. It was he who planned the separation of Burma. But it is a tragedy that our Government are too apathetic to this fact. They have a definite plan and a political motive behind it. I have no doubt that they are in favour of protection, not so much because they want our industries to grow up, but to fill up their depleted exchequer. Have they earmarked the income derived from all their protective measures to be spent on improvement of industries? The political motive is that thereby they have found scope for enforcing Imperial preference, so as to patronise British industries. Sir, I understand this measure is for the benefit of the Tata Iron Company alone.

An Honourable Member: No, no. There is the Bhadravati Iron Works and other concerns also.

Mr Sitakanta Mahapatra: Then, I stand corrected. This is a temporary measure till the report of the present Tariff Board is available for consideration. Are the Tariff Board inquiring as to what burden the Indian consumer can bear under the present economic situation in the country, if they come to the decision that protection is necessary? I think it is pertinent to ask why the Tariff Board did not begin their work earlier so that their report might have been available to us by now. Is it not by overt means that the Tatas are getting this extension for seven months? As for the activities of the Tatas themselves, if you will allow me, I shall read out a small passage that appears in the *Modern Review*:

"Tatas have submitted a representation to the Tariff Board. They have not said a word as to how they have directed their activities towards expanding steel industry in India, how they have fostered subsidiary industries, like foundries, rolling or sheet mills, engineering works, etc., or how they have worked for the promotion of village artisans by putting their own scrap and other materials in the Indian market. On the contrary they have been exporting basic materials, like pig iron, billets, etc., as also scrap at a much cheaper rate to foreign countries. For instance, pig iron is sold to foreign countries at Rs. 19 per ton. The Indian consumer gets it at not less than Rs. 75 (now reduced to Rs. 55) per ton. Scrap is sold to Japan only through Japanese firms here at Rs. 20 to Rs. 30 per ton. It is never sold to any Indian consumer though that also contains the article the village artisan badly requires. The result is that foreigners get cheap raw materials to compete in our market and Tatas want more and more protection. In the sales policy there are combines with competing firms here and also there is discrimination in the sale of raw materials."

THE STEEL AND WIRE INDUSTRIES PROTECTION (EXTENDING) BILL. 1433

Are these not a horrible state of things?

Sir, under these conditions, I strongly oppose the measure.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill be passed."

The motion was adopted.

THE INDIAN MEDICAL COUNCIL (AMENDMENT) BILL.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That the Bill to amend the Indian Medical Council Act, 1933, for a certain purpose, be taken into consideration."

The purpose of the Bill has been clearly set out, I think, in the Statement of Objects and Reasons. The Government of Burma have pointed out a defect in sections 2 and 3, which has the effect of preventing the University of Rangoon as also the registered medical practitioners possessing university qualifications in Burma from electing representatives to the Council. The amendments which we have proposed are intended to remove that defect and I hope the Bill will have the support of the House. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill to amend the Indian Medical Council Act, 1933, for a certain purpose, be taken into consideration."

The motion was adopted.

Clauses 2, 3 and 1 were added to the Bill.

The Title and the Preamble were added to the Bill.

Mr. G. S. Bajpai: Sir, I move:

"That the Bill be passed."

I should like to tell my friend, Mr. Mahapatra, that this has got nothing to do with agriculture. (Laughter.)

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill be passed."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 27th February, 1934.

LEGISLATIVE ASSEMBLY.

Tuesday, 27th February, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

THE FACTORIES BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I beg to present the Report of the Select Committee on the Bill to consolidate and amend the law relating to labour in factories. (Applause.)

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 beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three Non-Official Members to serve on the Standing Committee to advise on subjects, other than 'Indians Overseas—Emigration' and 'Haj Pilgrimage' dealt with in the Department of Education, Health and Lands."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"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."

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): May I know how many meetings of this Committee were held last year?

Mr. G. S. Bajpai: One meeting last year, Sir.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Why was the one meeting held? Why was that too not done away with altogether?

Mr. G. S. Bajpai: The fact is, we think that whenever we have a subject upon which, we feel, we can benefit by the advice of the Committee, we should put it before the Committee.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I suppose education is also included within the purview of this Committee, and may I ask whether the question of the appointment of the Advisory Educational Board was laid before this Committee and what was their opinion?

Mr. G. S. Bajpai: The answer to the first part of the question is in the affirmative. As regards the second part, I would say that the Committee were in favour of the early establishment of the Advisory Board.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): May I know if it was necessary to call it, because, if there was no necessity to call it at any other time, there was no work for it?

Mr. G. S. Bajpai: It is obvious the Committee was called when it was necessary to call it.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three Non-Official Members to serve on the Standing Committee to advise on subjects, other than 'Indians Overseas—Emigration' and 'Haj Pilgrimage' dealt with in the Department of Education, Health and Lands."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): I may inform Honourable Members that for the purpose of election of Members to the Standing Committee for the Department of Education, Health and Lands, the Assembly Office will be open to receive nominations up to 12 Noon on Saturday, the 3rd March, and that the election, if necessary, will, as usual, be held in the Secretary's Room on Tuesday, the 6th March, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

DEMANDS FOR SUPPLEMENTARY GRANTS IN RESPECT OF RAILWAYS.

AUDIT.

Mr. P. R. Pau (Financial Commissioner, Railways): Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 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, 1934, in respect of 'Audit'."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That a supplementary sum not exceeding Rs. 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, 1934, in respect of 'Audit'."

DEMANDS FOR SUPPLEMENTARY GRANTS IN RESPECT OF RAILWAYS. 1437

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, my Honourable friend wants this Rs. 60,000 to defray charges in connection with Audit. In this connection I would say that they have calculated this figure in this way,—that they expect an increase of Rs. 97,000 in the expenditure upon leave salary. Here, Sir, I would request that if my Honourable friend wants to challenge any figures quoted by me, it would be better if he says that I may give the explanation as to from where I have got these figures, but I think he will accept the statements and figures.

Now, Sir, Rs. 97,000 have been demanded for leave salary, and you will find that the Department expects that they will get Rs. 10,000 less under Emergency Cut; and you will see that it comes to Rs. 98,000. Though in the Explanation, which I find on page 1, there is no mention, but they expect about Rs. 6,000 more expenditure under the heading Other Charges as well, and this Rs. 6,000 appears on page 44 of the Standing Finance Committee Report where it is said that they expected Rs. 2,84,000 at the time of the Budget and now they have revised it to Rs. 2,90,000. These three items make this sum Rs. 1,13,000. Then they expect some saving on account of Mr. Badenoch's proposal. Though the amount has not been mentioned here in the remark as to what amount they expect, but I have calculated that this comes to Rs. 53,000. Thus, under Pay of Officers they expected Rs. 5,16,000, then in the Revised Estimate they brought it down to Rs. 4,54,000, and there they expect a saving of Rs. 62,000; and, then, again, under Pay of Establishment, they expected an expenditure in the Budget of Rs. 8,62,000, and now they expect it to be Rs. 7,96,000; so there will be a saving of Rs. 66,000. Out of this Rs. 1,28,000, i.e., 62,000 plus 66,000. Rs. 75,000 were already expected to be saved, and in this way the more saving which they estimate is about Rs. 53,000. After deducting this from Rs. 1,13,000, the figure comes to Rs. 60,000, and on this principle my Honourable friend has moved this Supplementary Demand. But if you will examine the figures, the figures of Rs. 97,000, which they now estimate to be an excess on the voting side, I think, are not correct. If you will look into the figures in connection with Demands for Grants which were supplied to us by the Department, you will find on page 6 that, in regard to the office of the Director of Railway Audit, on page 4, they have mentioned that under Leave Salary for Pay of Officers, there will be no gain and no loss, because there was no mention of the leave salary in the Budget and no one has gone on leave. Then comes the question of the Pay of Establishment. On that side, they expected Rs. 3,000 in the 1934 Budget time and now they have revised the figures to Rs. 2,000. Thus there will be a saving of Rs. 1,000. Then in the case of the office of the Chief Auditor, Railway Clearing Accounts, here also under Pay of Officers there will be no gain and no loss, because they estimated Rs. 5,000 at the Budget time and now estimate the expenditure to be Rs. 5,000 again. Then comes the question of the Pay of Establishment. Under Leave Salary here they expect an increase of Rs. 9,000, because they expected Rs. 7,000 during the Budget time of 1933-34 and now they expect to spend Rs. 16,000. Then comes the question of the Statutory audit attached to State-managed railways. Here also, under Leave Salary, they expect a saving of Rs. 8,000, because they expected Rs. 16,000 at Budget time, and now they have revised the figures to Rs. 8,000. From the leave salary of establishment they expect Rs. 49,000 more on the voted side. Now, I

[Mr. M. Maswood Ahmad.]

come to the last item, i.e., Accounts, Office of the Government Examiner of Accounts. Here also they expect only Rs. 5,000 more in the leave salary of officers and Rs. 18,000 more in the leave salary of establishment. I hope these figures are correct. If you calculate them in this way, the result will be that they expect a saving of Rs. 3,000 in the Pay of Officers and an increase of Rs. 75,000 in the Pay of Establishment, and the net result is that on the voted side they expect Rs. 72,000 more, but they have mentioned here that they expect Rs. 97,000. I think that these figures are not correct. Sir, this amount of Rs. 97,000 is both for the voted and non-voted sides, because we find an increase of Rs. 25,000 in the leave salary on the non-voted side also. Similarly, the question of emergency cut comes in. In this cut, they have mentioned that they expect a loss of Rs. 10,000, but of this amount also half is on the non-voted side and half on the voted side. So, if you add this amount, it will come to Rs. 72,000 only. Now, by this means you will find that by decreasing the sum of leave salary by Rs. 25,000 and by adding to it Rs. 5,000 from the emergency cut, the amount becomes Rs. 30,000. So, the deficit to the department for the voted side after deducting Rs. 30,000 from these two items remains only Rs. 30,000 in the voted side. Therefore, they must have come before the Assembly for a supplementary demand of Rs. 30,000 only. It will be seen that for the non-voted side they have not got to come before the Assembly. They have admitted this principle on page 2, where they say, that there was a loss of five lakhs of rupees in the demand of revenue, but as Rs. 4,75,000 was for the voted side, they came before the Assembly only for that amount and not for the remaining Rs. 25,000 which was on the non-voted side. This is the first point I wish to raise.

The second point which I want to raise here is that they have said that they have revised the figures for the leave salary by Rs. 95,000, which means that more officers went on leave. When more officers went on leave, more officers came to work in their places. When these new officers came to work, certainly the amount of pay must be more, and when the amount of pay was more, naturally the emergency cut must be more. So, why they have expected the decrease in the emergency cut, I cannot understand. I want some light on this point from the Honourable Member who has moved this motion.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Mubamadan Rural): Sir, I would like to mention one or two points and would like to be favoured with a reply. In the note attached to this demand, it is said that the excess, that is, the additional charge, which they want is due to more staff going on leave than anticipated, partly on account of the retrenchment carried out during the course of the year. If the effect of the retrenchment is an additional sum of Rs. 60,000 a year, I would rather have no retrenchment at all. By retrenchment I understand that there should be some kind of diminution of the expenditure, but if it leads to an over-expenditure of Rs. 60,000 then I do not call it retrenchment at all. The second thing which my Honourable friend argued was that there might be a temporary increase this year only and that he might probably have a permanent retrenchment later on. I have got before me the figures of the audit. On page 41 of the report of the Standing Finance Committee, we find that in the year 1932-33, the total

estimate was for Rs. 17,71,000, but, because of their promise to diminish the amount, they estimated only Rs. 16,55,000 for the following year. Afterwards, it was revised to Rs. 17,15,000. Now, they want an additional sum of Rs. 60,000 which will make up the total to Rs. 17,75,000. That is to say, the total expenditure in the year 1932-33 was Rs. 17,71,000, and, in the year 1933-34, it will be Rs. 17,75,000, about Rs. 4,000 more. Therefore, though we were promised that there would be a diminution, but we find that by splitting it up into several small parts the sum is actually increased. Though in the first year they budgeted a good deal less, in the revised budget estimates it was increased and in the supplementary demand it is further increased, with the result that there is a net increase of Rs. 4,000 over the budgeted estimate of 1932-33. I am afraid that this kind of promise is exactly of the same type as the promise held out about the separation of finance from audit, where it was anticipated that there would be a kind of diminution in the expenditure, but ultimately it led to the excess. This I do not like and I hope the two points will be explained. The first point is: What is the use of this type of retrenchment which leads to the increase in the expenditure and not diminution in the expenditure? And the second point is that though the expenditure in 1932-33 was Rs. 17,71,000, it was under-estimated this year, but, due to subsequent instalments of increase, the total amount of the demand has been increased by Rs. 4,000 than it was in the previous year.

Mr. P. R. Rau: Sir, I am sorry that I could not follow what my Honourable friend, Mr. Maswood Ahmad, was driving at in the long speech he made in which he recapitulated most of the figures given in the annexure to this demand. As a member of the Standing Finance Committee for Railways, I submit that it would have been more convenient if he had raised all these points when the Standing Finance Committee considered this demand. When he considers that the estimates placed before the Committee were wrong, I submit that it would have been, not only in his own interests, but in my interests and the interests of the House as well, that he should have pointed out to me where I had gone wrong in the Committee itself.

Mr. M. Maswood Ahmad: May I, Sir, explain my position. Unfortunately I could not attend that meeting, because, due to the business relating to the earthquake, I had to attend a meeting in that connection, and, therefore, I could not attend the meeting of the Standing Finance Committee. So I could not raise this point.

Mr. P. R. Rau: The figures that he has quoted, I could recognise from the accounts to a certain extent, but I think he has gone entirely wrong in interpreting them. The explanation given is with regard to the total grant, both voted and non-voted, and taking the grant as a whole, I think he has himself admitted that the excess under leave salary is Rs. 97,000 and the other items are as stated. What he has forgotten is that though part of the excess under leave salaries is under the non-voted head, this part of the excess is counterbalanced by savings in the non-voted head due to the salaries of officers being less than anticipated. I do not know whether I have understood the point of his criticism aright, because, when I was listening to his speech, I could not see the wood for the trees.

[Mr. P. R. Rau.]

Turning now to the two criticisms raised by my Honourable friend, Dr. Ziauddin Ahmad, I think the first criticism that he raised was that he would rather have no retrenchment at all than pay leave salaries to the staff who are retrenched. To that criticism he has himself given a satisfactory explanation, and that is that the effect of retrenchments is a recurring saving in expenditure, while the leave salaries that we paid during the current year are only temporary. The rules for retrenched staff provide that people who have been retrenched should be given all the leave that is due to them, and that connotes that they should be paid the leave salaries that are due to them. The other point that he mentioned was that the figures did not show that the retrenchment had any effect in reducing the expenditure. I believe there was some sort of confusion in the mind of the Honourable Member since he apparently thought that the supplementary grant, that I am now asking the House to vote, is in addition to the figures shown in the revised estimate. It is nothing of the kind. The supplementary grant is for the difference between the revised estimate and the original estimate. If my Honourable friend would look up the figures given in page 41 of the proceedings of the Standing Finance Committee, Vol. 10, No. 6, he will find that the revised estimate is Rs. 56,000 lower than the figures for 1932-33 in spite of the fact that the emergency deduction from pay brought us back Rs. 77,000 lower than last year and in spite of the fact that the leave salaries amounted to about Rs. 40,000 more than last year. Further, I would invite his attention to paragraph 4 of the Memorandum which is printed on page 42 which explains to what extent the original estimate of Mr. Badenoch has been realised. I do not think that I need make any further remarks on the point raised by my Honourable friend, but I would again repeat the offer that the Honourable Member for Railways made to him in the course of the Budget debate that if, in the course of his multifarious occupations, he could find some time to go and see me with regard to these figures, I shall try my best to satisfy him that the figures are accurate.

Mr. M. Maswood Ahmad: You have said in the revised estimate that there will be an increase in the expenditure over the pay of officers who are working in the office. What is the reason for that increase?

Mr. P. R. Rau: I do not know where my Honourable friend has obtained the information that we are budgeting for an increase in the pay of officers since the budget figure for the pay of officers is Rs. 5,16,000 and the revised estimate is Rs. 4,54,000.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 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, 1934, in respect of 'Audit'."

The motion was adopted.

WORKING EXPENSES—REPAIRS AND MAINTENANCE AND OPERATION.

Mr. P. R. Rau: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 4,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Working Expenses—Repairs and Maintenance and Operation'."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That a supplementary sum not exceeding Rs. 4,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Working Expenses—Repairs and Maintenance and Operation'."

Dr. Ziauddin Ahmad: Sir, I understand that this sum is required for expenditure in connection with the Hardinge Bridge and the repairs in the Jamalpur Workshop. Both these things are absolutely essential, and there is absolutely no desire on the part of any Member to object to this expenditure. But what we do desire to be told is, what would be the total expenditure under the head Hardinge Bridge and also in connection with the repairs to the Jamalpur Workshop. The second thing that I should like to know is from what fund the expenditure would be met. I am strongly of opinion that we ought to pay the entire cost of these two items from the Depreciation Fund which is really used by the Government as a deficit fund, and this, I should say, is a wrong use. The depreciation is really intended to meet such extraordinary expenditure in which we have suffered losses due to earthquakes and floods. To overburden the budget by extraordinary expenditure under this head is not the correct method. This is a point which ought to be made clear that whenever any loss is incurred on account of unforeseen circumstances, such as floods and earthquakes, then the deficit fund is there and the expenditure should be made a charge on this fund. If the deficit fund is not sufficient to meet this particular demand, then Government ought to come to the Legislature and find out by what manner, whether from the revenue or from the loan, this expenditure should be met. Really the first charge is the Depreciation Fund which ought to be done, but the expression "Depreciation Fund" is a misnomer if we see the way in which this fund is being utilised. To charge this thing to capital or revenue is not the correct procedure. We ought to charge it entirely to the Depreciation Fund. We may need this in one year or two years. I do not object to the expenditure, but I object to the expenditure being incurred by any other method except by drawing the money from the Depreciation Fund.

Mr. M. Maswood Ahmad: Sir, I want to suggest that I find among the papers that the number of the demand is changed every year. What was formerly demand No. 3 is now demand No. 2, or what was formerly demand No. 5 is now made into some other demand, say, demand No. 4, and in this way it becomes very difficult for us to search for the figures. I spent more than three hours in searching for this demand which is now put under demand No. 6. I do hope that in future my Honourable friend will consider this point that the number of the demand should not be changed every year as it becomes very troublesome for us in consulting the papers. About the Jamalpur Workshop, I will suggest that the Government should spend sufficient money in the repair, because the labourers, who are now out of work, will suffer unless the workshop is made to work in its full strength as early as possible. I hope my Honourable friend will also keep this in mind.

Mr. P. R. Rau: Sir, as usual I will take my Honourable friend, Mr. Maswood Ahmad, first, as his objections are the less serious. With regard to the change in the form of the demand, I must again point

[Mr. P. R. Rau.]

out that this had the approval of the Standing Finance Committee for Railways, and when that approval was given, my Honourable friend was also present.

As regards the point raised by my Honourable friend, Dr. Ziauddin Ahmad, I need only refer to the three very elaborate memoranda that were placed before the Standing Finance Committee on these questions. These memoranda contain the fullest information, not only with regard to the estimated expenditure on these calamities that we have at present, but also with regard to the way in which the Government of India propose to meet them. I quite sympathise with my Honourable friend's desire that these abnormal calamities should not be allowed to affect solely the current revenues of the year or two in which they occur, but it is equally, I think, from an accounting point of view, objectionable to charge them to the Depreciation Fund outright since the Depreciation Fund on Indian Railways has been started in order to provide for renewals of assets, the life of which has expired in the ordinary course. Consequently, the Government of India have, after careful consideration, decided that the best plan is to meet the expenditure originally from the Depreciation Fund, but to charge it to revenue in the course of ten years. If the Depreciation Fund is utilised to meet every sort of unexpected expenditure that occurs, it will not be long before it becomes a deficit fund.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What happens to it during the ten years that it comes from revenue? Who pays the interest for the ten years?

Mr. P. R. Rau: Loans from the Depreciation Fund are not interest-bearing. The way in which the Depreciation Fund is built up at present is not on a sinking fund basis. Interest on balances of the Depreciation Fund is not added to the corpus, but added to the ordinary railway revenues. Consequently, there is no special advantage in charging interest since the interest will accrue to the railway revenues.

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muhammadan): Sir, a question was asked whether a part of this expenditure is to be incurred in connection with the repairing of the workshop at Jamalpur. My Honourable friend has given no answer on that point. I should like to know whether there is any truth in the report that the Jamalpur Workshops are going to be transferred elsewhere; if not, what part of the expenditure proposed to be incurred is in connection with the repairs to the Jamalpur Workshop. I should like to have a specific reply if my Honourable friend has no objection.

Mr. P. R. Rau: I am able to assure my Honourable friend on that point. There is no present intention, so far as I am aware, of transferring the Jamalpur Workshop to any other place, and, to the best of my recollection, the damage caused to the Jamalpur Workshops which we are providing for is now in the neighbourhood of half a crore.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I am not a member of the Railway Finance Committee, and I cannot deal with the details. But, as I understand, we cannot on a supplementary grant raise any question of principle and I can only deal with a particular case. As regards these bridges, where

the country has to spend crores of rupees, I think there should be some clear-cut principle, even on the question of spending it from the revenues spread over for a number of years. Particularly in connection with this Willingdon Bridge, going through one of the Standing Committee's reports, I find this:

"The breach was enlarged rapidly during the course of the day until it extended over a length equivalent to about one-third of the length of the guide bank, when further damage ceased in the afternoon of the same day. Although no one witnessed the first breach, which occurred in the early hours of the morning, there were a number of witnesses who saw the manner in which the breach and the embayment behind were rapidly enlarged during the course of the day."

It is clear from this elaborate report that from the 16th September they were watching the damage that was done to the bridge. I find that there were none to see at night about this breach that washed about one-third of the guide bank costing a lakh of rupees to the Indian taxpayer. We have found in the case of these bridges that they are built at an enormous cost, but no one looks to the possibility of the river, in course of time, changing its course. There is nothing in these reports to show that attempts would be made to train the river to flow under the bridge, and, after a few years, the question is again raised that now the river is not flowing under the bridge and has taken a new course. It is not a question of a few lakhs only, but in this case a crore and 50 lakhs will be necessary to make the least use of the bridge at Sara. So these matters should be more carefully gone into. The point I particularly raise here is, why was no watch kept at night when the areas of the right guide bank were washed away in the course of the day and night, and why no precautions were taken.

The Honourable Sir Joseph Bhole (Member for Commerce and Railways): Sir, I really do not know what there is to reply to my Honourable friend. The only point that I can make is that, if the breach occurred at night, it would be almost impossible to do anything at that time to save the embankment. But I understand that at the earliest possible opportunity thereafter efforts were made

Mr. S. C. Mitra: But it continued the whole of next day and I quoted from the report to show that there were many witnesses who saw the breaches being enlarged during the course of the day.

The Honourable Sir Joseph Bhole: I do not know the actual details of the case, but I should have said that, with a flood of that magnitude, it would have been naturally impossible to do anything to stem the tide when the flood was in full flow. As regards future operations, my Honourable friend and the House may rest content that the most meticulous care will be taken to satisfy Government that any works that are to be done will be really effective and will be such that they will have the endorsement of the highest engineering skill and experience.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 4,75,000 be granted to the Government General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Working Expenses—Repairs and Maintenance and Operation'."

The motion was adopted.

COMPANIES' AND INDIAN STATES' SHARE OF SURPLUS PROFITS AND NET EARNINGS.

Mr. P. R. Rau: Sir, I move:

"That a supplementary sum not exceeding Rs. 2,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Companies' and Indian States' Share of Surplus Profits and Net Earnings'."

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 2,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Companies' and Indian States' Share of Surplus Profits and Net Earnings'."

The motion was adopted.

OPEN LINE WORKS.

Mr. P. R. Rau: Sir, I 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, 1934, in respect of 'Open Line Works'."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"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, 1934, in respect of 'Open Line Works'."

Dr. Ziauddin Ahmad: Sir, in this case I find in the list of the demands that the Hardinge Bridge comes up again. While voting on the previous demand, I thought we had finished with the Hardinge Bridge altogether. But here it comes up again. I do not object to this expenditure, but my point is that it is exceedingly difficult to understand the budget on account of the division of the same expenditure on the same thing under different heads. I raised objection on the discussion of the General Budget about my difficulty in understanding certain items, and those items were perfectly right, and Mr. Rau satisfactorily explained them to me. Here also it is perfectly correct, but the difficulty is that it is impossible for any person to understand this Railway Budget unless a person of the ability of Mr. Rau is there to explain it and a person of my understanding is there to understand it. I wonder whether the Railway Budget can be understood by any person inside or outside the Assembly on account of the manner in which these things have been worked out. I thought in the previous case we had finished with the Hardinge Bridge, but here again it comes up again in some shape or other, and, therefore, it is very desirable that this budget should be framed in the same manner as the General Budget, where everybody knows exactly what the expenditure and income is; but here the expenditure on one item is divided and shown under so many heads and sub-heads that it is very difficult to follow them, unless we have the benefit of an explanation by the Honourable the Financial Commissioner: it is impossible to visualise the whole thing in our minds. Therefore, I think it is desirable that an attempt should be

made to simplify the Railway Budget and also in future to present some kind of a balance sheet so that we can have a true picture of the financial position of our railways. With these observations, I support the demand.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, the list that has been supplied to us shows such a lengthy column that at first sight one is astonished what demand it would be, but ultimately one comes to know that it is a very small amount that is required—only Rs. 1,000

Mr. President (The Honourable Sir Shanmukham Chetty): It is a token demand.

Mr. Muhammad Azhar Ali: Under these conditions, I simply endorse what my friend, Dr. Ziauddin Ahmad, has just said that the description and delineations of these things should be so clear that one may not be lost in the jungle of all these demands. I tried to find some enlightenment on these subjects from the Railway Finance Committee, but I am sorry that I did not gather much from that; and, therefore, I think that some further light ought to be thrown on this subject by the Member in charge.

Mr. P. R. Rau: Sir, I feel very thankful to my Honourable friend for the compliment he has paid to me by bracketting my ability with his understanding. But one of these must have been seriously at fault in this case, because he has apparently not been able to understand these figures. I prefer to believe that it is my ability that is at fault rather than his understanding. On this particular question that he has raised, I may point out that the amount that this House was asked to vote a few minutes ago under the head "Repairs and Maintenance and Operation" is the first instalment of the amount of loan taken from the Depreciation Fund and repayable by Revenue in 10 years. This demand covers the charges that will be originally debited to the Depreciation Fund and repaid from Revenue in 10 years and also the charge debitable to capital in respect of the additional assets that will come into being as a result of the expenditure incurred. I do not think it is necessary for me to say anything more except to say in justice to the engineers who were in charge of the Hardinge Bridge that there is nothing to support the allegation that there was undue delay in dealing with the disaster. I myself raised with our engineering experts the first question that occurs to a layman in this matter, as to why it was not possible for them to detect this menace to the safety of the bridge at an earlier period. But the fact that the action was so rapid that nearly one-third of the protection works was damaged within the course of a few hours shows that it was absolutely impossible for any efforts to stem the tide. It would have been a case of Mrs. Partington defying the Atlantic.

Mr. President (The Honourable Sir Shanmukham Chetty): Before the question is put, the Chair would explain to the House that this demand is made under rule 50 of the Legislative Rules which says:

"An estimate shall be presented to the Assembly for a supplementary or additional grant when—

- (i) the amount voted in the Budget of a grant is found to be insufficient for the purposes of the current year, or
- (ii) a need arises during the current year for expenditure for which the vote of the Assembly is necessary upon some new service not contemplated in the Budget for that year:

[Mr. President.]

Provided that, when funds to meet proposed expenditure on a new service can be made available by reappropriation, a demand for the grant of a token sum may be submitted to the vote of the Assembly, and, if the Assembly assents to the demand, funds may be so made available."

It is in accordance with rule 50 that this demand is made for a token sum of Rs. 1,000. It does not mean that the amount of money to be expended on these new works not originally contemplated is going to be only Rs. 1,000: it is going to be very much more.

The question is:

"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, 1934, in respect of 'Open Line Works'."

The motion was adopted.

APPROPRIATION FROM DEPRECIATION FUND.

Mr. P. R. Rau: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 9,99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Appropriation from Depreciation Fund'."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That a supplementary sum not exceeding Rs. 9,99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Appropriation from Depreciation Fund'."

Mr. M. Maswood Ahmad: Sir, you will see on page 6 that out of this sum of Rs. 9,99,000, a sum of Rs. 9 lakhs has been proposed to be advanced as temporary loan to two branch line railway companies. At present there are three kinds of these branch line companies: one is for which there is no guarantee from anybody; the second is that for which there is a guarantee from the Government under certain conditions by a fixed return on capital invested by them; and the third is that for which the same kind of guarantee has been given by the local authorities. In this connection, you will find here that out of this Rs. 9 lakhs which are to be given to two branch line companies, one company is the Futwa-Islampur Railway, and about this railway I want to say that they have said that the main cause of the deficit of this railway is that the number of passengers travelling by this railway has decreased. The Financial Commissioner has also admitted that the subsidies and rebates payable by the Government for recent years have been increasing owing to the reduced earnings of such railways as a result of the slump in traffic. But I want to ask, is it a fact that on this particular railway, the Futwa-Islampur Railway, the cause of this reduction in income is the slump in traffic? If that is so, then, what is the reason for this slump in traffic? This railway is in the Patna district, which area I represent here. I know something . . .

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): That is why the deficit has occurred.

Mr. M. Maswood Ahmad: I am glad to know, Sir, that my friend, Sir, Muhammad Yakub, contributes to the Government for this section of the East Indian Railway in Moradabad from his daily allowance of the Joint Parliamentary Committee, so that there may not be any deficit to Government.

The main cause of the loss now I want to explain. There are two stations, Futwa and Bakhtiarpur at a distance of about 5 to 20 miles on the E. I. Railway . . .

Mr. P. R. Rau: On a point of order, Sir. May I point out that this demand has nothing to do with the subsidies that are payable to the Futwa-Islampur Railway or to any other railway. It deals with a loan to meet the capital expenditure.

Mr. M. Maswood Ahmad: You are giving this loan to the Futwa-Islampur Railway to meet their deficits, and to decrease their expenditure.

Mr. P. R. Rau: No, Sir; not at all.

Mr. M. Maswood Ahmad: You cannot deny that. You have said so at page 34, and I shall read it for the benefit of the Honourable Member:

"The loan already raised by these Branch Line Companies are generally either in the form of (i) debentures on which interest is payable at a comparatively high rate, which in some cases can be repaid immediately or in the near future; or (ii) cash credits or other temporary advances which can be converted into regular loans at any time".

A little later, you say again:

"In the first case, steps have been taken by Government to endeavour to reduce, wherever possible, the rate of interest payable on loans which the Company have the option to terminate immediately or in the near future."

Mr. P. R. Rau: My Honourable friend has proved my case.

Mr. M. Maswood Ahmad: If I give wrong interpretation, then how you explain your words? I put it in another form. You want to reduce the interest which that Company is paying, and thereby you want that they should gain something, that you may not be in a position to pay the amount from your pocket, which you have guaranteed to them. Can you deny that? Sir, here I want to point out that the chief reason, why this Company is losing its traffic, is not due to the slump, but the reason is something else. If you change your present policy, there can be no deficit on that railway; on the other hand, there will be no need for this loan to be given to that Company. That is my point, and I think I am perfectly in order. I am pointing out to the Honourable Member a way by which he would be able to reduce the capital expenditure and by which he can gain something, but I am very sorry to find that he has not had even the patience to hear these suggestions from this side of the House. This policy of the Government Members is certainly objectionable, (Applause from the Opposition Benches), because they do not want to hear even suggestions from the representatives of the locality concerned.

Now, Sir, I want to point out that from Bakhtiarpur there is a line which runs to Rajgir and another line from Futwa to Islampur; and these two lines are quite parallel to one another and the distance between them

[Mr. M. Maswood Ahmad.]

is 15 to 20 miles only. Now, what have the Local Government and the Central Government done? They have constructed a first class metalled road parallel to the Futwa-Islampur lines and side by side to the Bakhtiarpur-Rajgir from Bakhtiarpur to Bihar, and on account of this road both the Railway Companies are losing heavily every year. The point was raised as to why they were not allowing motor buses to go by this road, but it was suggested that, as this was a newly constructed road, they could not allow any bus traffic to pass over it; but, I say, you cannot for long prevent the bus traffic on this road, and, when the bus traffic starts, that will again lead to further loss to this railway.

Then, Sir, the question is, what to do now. In this connection, I will point out that there is another trouble; these two lines do not connect at any point. So whenever they require more bogies on the Bakhtiarpur-Rajgir Railway to take passengers to the Rajgir fair, there is always a shortage of carriages on the line; similarly when extra carriages are required on the Futwa-Islampur Railway to take passengers to the Islampur fair, the same difficulty occurs, and sometimes the passengers are taken in goods wagons. Now, my point is, the distance is only about 15 miles. both the railways are under the same management and so if you connect these two lines from Bihar to Ekangar and extend it to Taregna on the E. I. Railway, you will be able to solve the difficulty of shortage of wagons by exchanging carriages mutually from one railway to the other. Further, you will open the area and you will improve the condition of the two existing railways.

Then, Sir, another cause of the deficit is that the timing, especially on the Islampur line, is so bad that nobody likes to travel by that line. One train leaves the station early in the morning at 4 A.M. and another train leaves at about 6 P.M. in the evening, and during the day there is only one train which runs between Hilsa and Futwa. Therefore, most people, who want to travel by this line, prefer to do the journey by bullock carts and buses, with the result that you are losing heavily your income every year. The Patna District Board also passed a resolution, in the year 1928 or 1929, urging that this line should be joined at Ekangar and that the Bihar-Ekangar-Taregna line should be constructed. I would suggest to my Honourable friend that he should read through that resolution and consider the feasibility of giving effect to it. Sir, in these days it is very important that the railway companies should consider these points very seriously and see how they can run the business at a profit and not at a loss.

Dr. Ziauddin Ahmad: Sir, I hope Mr. Maswood Ahmad will not accuse me at least for not hearing him patiently. I have been following him very patiently, and I quite appreciate the difficulties mentioned by him in regard to this particular line. I hope these difficulties will be carefully considered by the Honourable Member in charge of Railway. But here, in this particular demand, the question is somewhat difficult. We have already voted under various heads certain expenditure, and we find that there is over-expenditure of about nine lakhs and odd, and where is this money to come from? The suggestion made under this demand is that this money should be taken from the Depreciation or Deficit Fund. It is now our duty to point out from what source the money should be taken in view of the fact that we have already voted for the expenditure. Therefore, the

only source from which the Railway Department can take this money is what they call the Depreciation Fund and what I call the deficit fund. With these words, I have no other alternative but to support the motion.

Mr. P. R. Rau: I am sorry, Sir, that my Honourable friend from Bihar misunderstood the point of my interruption. It was not from any want of patience or from any want of regard for the words of wisdom which had fallen from his lips that I made the interruption. I shall always be prepared to listen to him with as much patience as I can muster, but at the right time and place.

It was a tragedy, indeed, Sir, that owing to the earthquake in Bihar this memorandum, which was placed before the Standing Finance Committee, had to be discussed at a time when my Honourable friend was away in Patna. It reminds me, Sir, of Browning's lines:

"Never the time and the place and the loved one all together."

I shall be very happy indeed to have all the suggestions that my friend has just made considered very carefully in consultation with the Department of Industries and Labour, since the provision of metalled roads is not a matter entirely within the purview of the Railway Department alone.

I do not think, Sir, that my Honourable friend who spoke next has made any special points that call for a reply.

Dr. Ziauddin Ahmad: I have supported you. I do not want a reply.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 9,99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of 'Appropriation from Depreciation Fund'."

The motion was adopted.

MISCELLANEOUS EXPENDITURE.

Mr. P. R. Rau: Sir, I 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, 1934, in respect of 'Miscellaneous Expenditure'."

Mr. President (The Honourable Sir 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, 1934, in respect of 'Miscellaneous Expenditure'."

The motion was adopted.

THE INDIAN NAVY (DISCIPLINE) BILL.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I move:

"That the Bill to provide for the application of the Naval Discipline Act to the Indian Navy be referred to a Select Committee consisting of Khan Bahadur H. M. Wilayatullah, Diwan Bahadur A. Ramaswami Mudaliar, Mr. D. K. Lahiri Chaudhary, Mr. B. V. Jadhav, Mr. Gaya Prasad Singh, Mr. Nabakumar Sing Dudhoria, Bahadur M. C. Rajah, Mr. S. G. Jog, Sir Leslie Hudson, Captain Sher Muhammad,

[Mr. G. R. F. Tottenham.]

Khan Gakhar, Sir Abdulla-al-Māmūn Suhrawardy, Lieut.-Colonel Sir Henry Gidney, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

I am aware that a Bill in much the same terms as that which is now before the House was defeated in this Assembly by the narrow margin of a single vote five years ago. I, therefore, feel that I owe a particular duty to this House to explain as clearly as I can the reasons why we are bringing forward this Bill again and why we have chosen this particular moment to do so. To deal with the last point first, let me explain at once that we are in no hurry and that we are quite prepared to take any steps that Honourable Members may think necessary to ensure that Members of the House and the public at large are fully satisfied as to what this Bill means before we attempt to pass it into law. I would only say at this stage that I think myself there will be no particular reason to circulate the Bill for reasons which I shall attempt to explain in due course.

Now, Sir, the main reason why we are bringing forward this Bill at the present moment is that it is earnestly desired by every officer and by every man of the Royal Indian Marine. I cannot conceal the fact that they were bitterly disappointed when the Bill failed to pass five years ago. But I am equally glad that their disappointment in no way affected their zeal. Under the distinguished command of Admiral Sir Humphrey Walwyn, they have been consistently animated by the desire to increase the efficiency of the force as far as possible in the financial stringency through which we have been passing; and their efforts have been remarkably successful. (Hear, hear). The force has improved out of all recognition during the last five years (Hear, hear), and I personally entirely sympathise with the desire of the members of that force that they should receive the only reward for their services which we can give them without incurring any extra expenditure, that is to say, by giving them the improved status that this Bill will confer upon them. In this connection I would just like to read out to the House an extract from a letter written, not by any of our own officers, but by a distinguished officer of the Royal Navy, Admiral Fullerton, when he was commanding the East Indies Squadron a year or two ago. What he said was this:

"I have just finished a period of two days sea exercise followed by three days in harbour with the ships of the Royal Indian Marine under Rear Admiral Sir Humphrey Walwyn, and I am sure you will be interested and glad to hear how well they have done and how we have all been impressed with the smart appearance and the great keenness which has been shown on all sides. If their present rate of development continues, as I feel confident it must, the Royal Indian Marine should form an efficient adjunct to the forces under your command and also of great value to India from the naval point of view in the event of a war."

That was written to His Excellency the Commander-in-Chief.

Apart from this, we are anxious that India should enter upon her new Constitution with a navy as well as an air force and an army of her own. The constitutional position regarding the reservation of defence has received, at any rate in its broad outlines, a considerable measure of agreement, and we think, therefore, that there is nothing to be gained by waiting. At the same time, I may add that it was only after the most careful consideration that we decided to revive this measure and put it again before the House; and I think that a certain number of my Honourable friends opposite will remember that I have been at some pains to ascertain their opinions on the subject before re-introducing the Bill.

Now, Sir, in the first place, I must say a few words about the Bill itself, although I am aware that any objections that may be raised will arise, not from the wording of the clauses of the Bill itself, but from the wording of the amendment to the Government of India Act which took place in 1927 in order to render this legislation possible. The Bill now before the House is a Discipline Bill, pure and simple. It proposes to apply to our force in India the same broad code of discipline which governs the British Navy and also the Dominion Navies, with such modifications as may be suitable for Indian conditions. The British Naval Discipline Act simply lays down offences against discipline, what the offences are and the means of dealing with them by courts-martial and otherwise. The Act itself has stood the test of time. It is known and honoured throughout the world, and I am confident that its provisions, with the modifications that this Bill proposes, will meet with the general acceptance of this House, subject possibly to some minor alterations which may be made if the Bill goes to a Select Committee. But, Sir, as Mr. Jinnah said in 1928 on the previous occasion:

"The issue is not the Discipline Bill; the issue is, 'Do you accept the Bill which was before the Parliament and which was enacted into law in 1927?' If the question was merely the Discipline Bill, it would be easy of solution."

Those were Mr. Jinnah's words. The opposition on the previous occasion was a weighty opposition led by no other than yourself, Sir, in, if I may say so, one of your most effective speeches; and it was based on certain constitutional objections which, in my opinion, it was perfectly justifiable and reasonable to bring forward from the political point of view. The question is whether it was worth while to carry those objections to the extent of defeating the Bill, and I shall endeavour to give my reasons for holding that it was unnecessary to do so and that we may now remedy the mistake that was made in the past.

In order to do this, I must, first of all, give an account of what the Royal Indian Marine is and what the constitutional position is with regard to it at the present moment, and then go on to explain what the Royal Indian Navy will be and what the constitutional position regarding it will be if this Bill is passed into law. Now, my predecessor in 1928 gave a very clear account of what the Royal Indian Marine is, and I assume that all Honourable Members, who are interested in this subject, will have read the whole of the debates on the previous occasion including Mr. Mackworth Young's speech. I need not, therefore, go into very great detail. The main points are that, although the Royal Indian Marine, in one form or another, for the last 300 years, has served, and served with distinction, in all maritime operations, that have taken place in Asiatic waters, yet, for a period of about 50 years, that is, from 1863 to 1913, the Royal Indian Marine was a non-combatant force. Its ships were not armed and its personnel were not trained for war. In 1914, when the Great War broke out, it was given combatant status under the operation of the Indian Marine Service Act of 1884. Section 6 of this Act, and I would invite Honourable Members to listen very carefully to the wording of this section, runs as follows:

"In case a state of war exists between Her Majesty and any foreign power, it shall be lawful for Her Majesty by Proclamation or Order in Council to direct that any vessel belonging to Her Majesty's Indian Marine Service and the men and officers from time to time serving thereon shall be under the command of the senior naval officer of the station where for the time being such ship may be. And while any such vessel is under such command such vessel shall be deemed to all intents a vessel of war of the Royal Navy, and the men and officers from time to time serving in such vessel shall be under such Naval Discipline Act or Acts as may be in force for the time being."

[Mr. G. R. F. Tottenham.]

In other words, His Majesty's Government possess under this section the power to convert the Royal Indian Marine into a combatant force and to use it for Imperial purposes without even asking for the consent of the Government of India. That section has never been repealed. It still represents the law on the subject. I do not mean to imply that His Majesty's Government would ever exercise that power without consulting the Government of India. In fact, I believe there is an understanding now that they would not do so; but the point is that that is the present legal constitutional position.

Then, Sir, the next important point in the history of the case is the conversion of the Royal Indian Marine into a combatant force which took place after the war largely on the advice that Admiral Lord Jellicoe gave to the Government of India. Honourable Members may recollect that a Departmental Committee, presided over by the then Commander-in-Chief, Lord Rawlinson, went into the whole matter of how this conversion was to take place, and the report of this Committee was laid before this House and received, at any rate, its tacit approval, in 1926. Briefly the proposal was that India should maintain a small combatant force consisting of four sloops, two patrol craft vessels and four small mine sweeping trawlers, and this force was to be equipped, trained and armed in the most up to date way in order, in the Committee's words, "to enable India to enter upon the first stage of her naval development and ultimately to undertake her own naval defence". Meanwhile the Government of India Act was to be amended in order to enable the new force to be called a navy and it was left to this Legislature to put the finishing touch by enacting the Discipline Act, without which the force could not be given the dignity and status and title of the Royal Indian Navy.

Now, Sir, the point I wish to make is that all these steps except the last one have already been taken. The ships have been equipped and armed; the personnel have been enrolled and trained; and the Royal Indian Marine is in fact a naval force in all but name. It may interest the House to know a little more about the force itself.

An Honourable Member: Who is paying this establishment?

Mr. G. R. F. Tottenham: The four sloops that I mentioned just now are small vessels of about 1,300 tons, quite small vessels with a speed of about 17 knots. They are armed with four inch guns and 60 pounder guns. The two patrol craft vessels are smaller, about 700 or 800 tons, but they are also armed, and they are faster than the sloops. The mine sweeping trawlers, that I mentioned, have disappeared as a result of retrenchment. On the other hand, one of our patrol craft vessels, "Baluchi", is now so old as to be unserviceable and she is being replaced at the present moment by a new sloop which is to be called the "Indus" and which is going to cost something over 20 lakhs of rupees. Now, Sir, this substitution of a sloop for a patrol craft vessel will not involve any large expansion of the force, nor will it add appreciably to the cost of the force; but the point that I wish the House to observe in this connection is that changes of this kind can take place without converting the Royal Indian Marine into a Royal Indian Navy. It would be perfectly possible for the Government of India, if they were so minded, to go on expanding the force and to go on spending money on it, whatever it might be called. The expenditure is and has always been, non-votable and if it really were a fact, as has been suggested,

that this force was being brought into existence at the wish of His Majesty's Government to strengthen the British Navy at the cost of the Indian taxpayer, then the answer is that the conversion of the Royal Indian Marine into the Royal Indian Navy would be entirely unnecessary for such a purpose. The fact is that the change is only a change of name. It will not in itself add one single pie to the cost of the force. It will not entail the addition of a single ship or a single gun or a single man. It will not in any way strengthen the British Navy, nor will it in any way facilitate the use of the force for Imperial purposes. On the contrary, as I hope to show shortly, if this Bill is passed into law, the position in this respect will be improved. It may also interest the House to know that before the War, when the Royal Indian Marine was a non-combatant force, its cost amounted to about 68 lakhs of rupees a year. The re-organised combatant force during the last three years or so has cost well under 65 lakhs, that is less than it cost before the War; and I think I can safely assure the House that there will be no large expansion or increase of expenditure on this force unless and until there is a popular demand for it. Personally I think that a demand of that kind is bound to come sooner or later, if India is to undertake her own naval defence.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Was there ever a popular demand for the bringing into existence of this naval force?

Mr. G. R. F. Tottenham: That is another matter. If the Honourable Member will let me proceed, I will explain the position to him.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): What is the proportion of the Indian personnel?

Mr. President (The Honourable Sir Shanmukham Chetty): Let the Honourable Member finish his speech.

Mr. G. R. F. Tottenham: As I was saying, I think I can give a guarantee that there will be no large expansion or increase of expenditure on this force unless and until there is a popular demand for it. I would ask the House to remember that the Government of India at present pay for their naval defence, excluding the contribution of £100,000 (or 13 lakhs of rupees), that is paid to His Majesty's Government, about 50 lakhs a year for naval defence. On the other hand, the British Navy costs about 50 million pounds or 70 crores of rupees a year. One single battleship of the Royal Navy cost about nine crores of rupees to build, that is to say, more than what India spends on naval defence in the course of 12 years or so, and one of those large battleships, "Rodney" or "Nelson", carries on board a complement which exceeds the total strength of the Royal Indian Marine, which is at present about 100 officers and 1,200 men, while the actual maintenance of a single one of these big ships costs more than we spend in a whole year on the whole Royal Indian Marine put together. These are large figures and I merely quote them in order to put in its proper perspective what we do spend at present in India on naval defence, to show what a long way India has to go before she can undertake her own naval defence and what an infinitely longer distance would have to be travelled before we could think, even if we were so minded, of bringing into existence a force which would be in excess of Indian requirements and might be used, as has been suggested, for Imperial purposes.

[Mr. G. R. F. Tottenham.]

Now, Sir, I must turn to the position, as it will be, if this Bill is passed into law. The practical result, as I have already attempted to explain, will be negligible. It will merely mean the alteration of the letter "M" into the letter "N,"—the alteration of the word "Marine" into the word "Navy"; but behind that small change lies the magic of the word "Navy" (Hear, hear): and it is almost impossible in my opinion to exaggerate the importance of that word. The increase in prestige will be enormous. The Royal Indian Navy will immediately become the senior service in India as it is in England, instead of taking precedence, as it does at present, after the Army and the Air Force. It will inherit also the naval traditions which have made the British Navy, I may say, the admiration of the world (Hear, hear), and it will place India in this respect on an exact equality with the dominions. Those, Sir, in themselves, I think, are objects which are worth attaining; but I must now also turn to the constitutional aspect. The big change here, as a result of the passage of this Bill, would be the disappearance entirely of that old section of the Indian Marine Service Act of 1884 which I quoted at the beginning of my speech. The Indian Navy will no longer be a force that is legally and constitutionally at the beck and call of His Majesty's Government. It will be an Indian Force, under the control of the Indian Government, to be used primarily for Indian purposes; and if any occasion arises in which that Force is not used for Indian purposes, then the Indian taxpayer will be relieved of its cost. Those, Sir, I think, are also objects which are worth attaining and which constitute a definite improvement on the present position. But I mentioned just now the possibility that circumstances might arise in which the Indian Navy might be used for purposes other than the defence of India,—and here I come to the crux of the opposition on the previous occasion. It was said on that occasion that the Indian Navy was being brought into existence at the dictation of His Majesty's Government for Imperial rather than Indian purposes and it was on that suggestion mainly that the Bill was defeated. Now, I have already shown I hope that, if that was really the intention, the change we now propose would not make the slightest difference. I have also, I hope, shown that there is no danger of our having to meet the charge with respect to the Indian Navy which is sometimes, in fact frequently, levelled with regard to the Army, that is, that we maintain a force in excess of Indian requirements for Imperial purposes. There is no danger of having to meet a charge of that kind with regard to our small Indian Navy. The present and prospective strength of the Indian Navy, so far ahead as we are able to see, is likely to remain well below India's own requirements. But that does not alter the fact that occasions might arise on which the Government of India might wish, in their own interests and in the interests of the Empire, and, I may also say, in the interests of the Royal Indian Navy itself, to lend a ship or two for purposes which do not fall strictly within the definition of the defence of India. The actual work of any navy in peace time cannot be spectacular, and the more real training it gets in war, the better will it be for the efficiency of the force. I do not mean to say that we are ever in the least likely to send our ships in to the Atlantic or on the Mediterranean, or that, save in the most exceptional circumstances, we should ever think of employing the Indian Navy outside Indian waters; but, as I say, an emergency might conceivably arise, as it has arisen in China or somewhere in the eastern waters, where it might be useful to the Empire and of distinct value to the Royal Indian Navy if we could spare

one or two of our ships. Now, the section of the Government of India Act, which provides for this contingency and which proved the rock on which the Bill was wrecked on the previous occasion, reads as follows:

"Any naval forces and vessels which may from time to time be raised and provided by the Governor General in Council shall be employed for the purposes of the government of India alone except that, if the Governor General declares that a state of emergency exists which justifies such action, the Governor General in Council may place at the disposal of the Admiralty all or any of such forces and vessels; and thereupon it shall be lawful for the Admiralty to accept such offer."

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): That was the amendment of 1927?

Mr. G. R. F. Tottenham: Yes. Now, I pass over the fact that an almost precisely similar rule at present governs the use of the Army and the Air Force in India, including the Indian Air Force. It may be said that the rule itself is a bad rule and that two wrongs do not make a right, but I think the real point is this. People in India do not object so much to the actual despatch of a particular force in a particular emergency, when and if the need is clearly explained to them, even though that purpose may not be directly connected with the defence of India. What Indian opinion does object to is, firstly, the feeling that we are maintaining a force, at their expense, in excess of purely Indian requirements in order to be able to meet these Imperial needs, and, secondly, that we have the power to send forces abroad, for purposes other than the defence of India, without even consulting them or taking their advice. Now, it is only the second objection that applies in the case of the Navy. As I have attempted to explain, nobody can assert that the Indian Navy is being maintained or will be maintained in excess of Indian requirements, but there is the second point; and I may say at once that we are fully aware of the weight of that objection and of the strength of Indian opinion on this subject and we have been considering very carefully what steps we can possibly take to meet it. There is no getting away from the fact that so long as the constitutional position with regard to defence remains as it is, the last word on the subject must remain with the official Government of today and possibly with the Governor General of tomorrow. At the same time, we are fully alive to the desirability, both I may say in our interests and also in the interests of the tax-payer, of taking the elected representatives of the people into our confidence in these matters to a far larger extent than we have done in the past. (Hear, hear.) With the approval of the Secretary of State, I am, therefore, authorised to announce that it is the intention to consult the Indian Legislature, so far as may be possible, whenever any question arises of lending the Indian Navy to the Admiralty for operations other than in the defence of India. That, Sir, is all that we can do for the moment; but I do hope it will go some way, in fact I hope a considerable way, to satisfy my Honourable friends opposite that we do really appreciate their point of view in this matter and are anxious to go as far as we can to meet it. I can assure them that we intend to carry out that pledge not only in the letter, but in the spirit. (Hear, hear.)

Now, I must turn to the other main objection that was taken to this Bill on the previous occasion. What it comes to, I think, is this. Whatever constitutional objections there may be to the creation of an Indian Navy which, in certain exceptional circumstances, may be used for purposes

[Mr. G. R. F. Tottenham.]

other than the defence of India, those constitutional objections might conceivably be waived if the force was going to be a purely Indian force. But the rate of Indianisation proposed in the officer ranks of the Royal Indian Marine is so meagre that the Bill deserves to be rejected on that ground alone. I think that was what the objection amounted to. Now, here, I think the Government of India have a particularly strong case, and I will endeavour to explain why. Less than two years ago, this House accepted, and accepted with a measure of enthusiasm, an almost precisely similar Bill to regulate the discipline of the Indian Air Force, in spite of the fact that that force would be subject to exactly the same conditions as the Indian Navy in the matter of being lent for purposes other than the defence of India. The justification for that enthusiasm was that the Indian Air Force was going to be an entirely Indian force. I think, therefore, I should be right in assuming that this Bill would be accepted with the same measure of enthusiasm if the Indian Navy was going to be a purely Indian force. The question, therefore, arises why cannot the Indian Navy, just as the Indian Air Force, be composed entirely of Indians? Now, Sir, in the first place, I must point out that the constitution of an Indian Air Force did not mean that the air defence of India was going to be assumed directly and entirely by Indians. The presence of the Royal Air Force will be required for many years to come, not only for the air defence of India, but also to help in training and making the new Indian Air Force efficient. Royal Air Force officers will be lent to the Indian Air Force for some years and it will be a considerable time before even the first Indian squadron is able to stand on its own legs, or, perhaps, I should say, is able to fly on its own wings. And really it is exactly the same with the Indian Navy, except that we have not got in this country a British Naval Force corresponding to the Royal Air Force from which we can borrow officers for the training of Indians. The lower ranks of the Royal Indian Navy are Indians to a man. The question arises merely with regard to the officers. Now, Sir, whatever may be the military traditions of India, it cannot unfortunately be said that India has ever possessed a great navy of her own or that there is any particular class of Indians who show a particular aptitude for the sea-faring life of a naval officer. Flying is a new science and India can start on a level and can compete with other nations in securing proficiency at it; but the command of men-of-war at sea is a very old business; it is a business in which Englishmen have shown a very particular proficiency; and I do submit that India would be making the greatest mistake if she were to reject the help which Englishmen are ready and anxious to give in building up a navy of her own. By all means continue to press us in season and out of season for an increase in the rate of Indianisation. We will do so when we can. But do let this House realise that we cannot stop immediately the recruitment of British Officers for the Indian Navy, and that some years must pass before we can bring into existence a class of young Indians who will be ready and able to take on their own shoulders the naval defence of India's ports and harbours. If so much is admitted, then let us consider what is the first step to be taken to bring into existence such a class of Indians. I submit—and I submit as strongly as I can—that the very first step to be taken is to convert the Royal Indian Marine into the Royal Indian Navy, and I assert that, if this House were to refuse to convert the Royal Indian Marine into the Royal Indian Navy, they would be doing the greatest disservice to the cause of Indianisation. I think that I can substantiate that assertion by quoting our actual experience of the last five years. In those five years, since the previous Bill was

rejected, we have held five open examinations for entry into the Royal Indian Marine. For these five examinations, the total number of applicants has been under 100, and it has only been with great difficulty that we have succeeded in securing our quota of Indian Officers. That is to say, out of the 36 odd vacancies, that have occurred in the last five years, we have just succeeded in obtaining one-third for Indians. We have now two or three Indians actually in the Royal Indian Marine, and there are 10, I think, under training at the present moment.

Sir Cowasji Jehangir: Where are they being trained?

Mr. G. R. F. Tottenham: They are being trained in various naval institutions in England.

Sir Cowasji Jehangir: Then where does the differentiation come in for the Royal Indian Marine? Cannot you make use of the "Dufferin"?

Mr. G. R. F. Tottenham: I will mention that later. I was saying that there were at present 10 Indians under training in various naval institutions for the Royal Indian Marine. The engineering training takes a very considerable time. It takes four or five years. The training for executive officers is shorter. But the point I wish to make is that the number and the quality of the candidates who have been appearing at our examinations has progressively deteriorated. The climax was reached in November, 1931, when we advertised an open examination for the Royal Indian Marine, and only four applicants appeared from the whole of India, none of whom succeeded in obtaining anywhere near the qualifying marks. In the next year, 1932, there was some talk about reviving the Indian Navy Bill. I also put through this House a small Bill to provide for a reserve of volunteer officers for the Royal Indian Marine. Interest in the matter was revived, and, for the examination held late in that year, we had 29 applicants, of whom nine succeeded in qualifying and four were selected for vacancies. That was by far the most successful examination that we have ever held. Now, Sir, a straw shows which way the wind blows, and what I have just said indicates that the defeat of the Indian Navy Bill in 1928 did no good whatever to the cause of Indianisation. In fact, it did considerable harm. On the other hand, I believe that the passage of this Bill will stimulate interest in the matter and will help to encourage young men in India of the class that we require to come forward for the Royal Indian Navy. It may be that the number of vacancies per annum is very small, not more than two. But even if we had complete Indianisation—100 per cent Indianisation—the number of vacancies per year would not exceed six. It is possible that we should be well advised to seek other sources of entry besides the open competitive examination, or possibly even confine recruitment to boys from the Mercantile Marine Training Ship, the "Dufferin". We have, I may say, already drawn upon that source and with some success, but the undertaking given by my predecessor was that there would be an open competitive examination for the Royal Indian Marine and we have hesitated to depart from that undertaking hitherto. However, that is entirely a different matter. The point that I wish to make, and the point that I am perfectly sure about myself, is that the conversion of the Royal Indian Marine into the Royal Indian Navy is going to promote the cause of Indianisation and that the failure to convert the Royal Indian Marine into the Royal Indian Navy is going to damage the cause of Indianisation.

[Mr. G. R. F. Tottenham.]

That, I think, is all that I have to say for the moment. I do hope that I have succeeded in convincing Honourable Members that there is no sinister or ulterior motive behind this Bill, and that we are actuated solely by a genuine desire to help India in the matter of starting and organising her own naval defence.

Let me sum it up like this. What do His Majesty's Government stand to gain by the conversion of the Royal Indian Marine into the Royal Indian Navy? Nothing. What does the official Government of India stand to gain by the conversion of the Royal Indian Marine into the Royal Indian Navy? Nothing. What do the Royal Indian Marine themselves stand to gain by the conversion of their force into a Navy? Everything. What does India stand to gain by the conversion of the Royal Indian Marine into a Royal Indian Navy? Again, everything. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill to provide for the application of the Naval Discipline Act to the Indian Navy be referred to a Select Committee consisting of Khan Bahadur H. M. Wilayatullah, Diwan Bahadur A. Ramaswami Mudaliar, Mr. D. K. Lahiri Chaudhury, Mr. B. V. Jadhav, Mr. Gaya Prasad Singh, Mr. Nabakumar Sing Dudhuria, Rao Bahadur M. C. Rajah, Mr. S. G. Jog, Sir Leslie Hudson, Captain Sher Muhammad Khan Gakhar, Sir Abdulla-al-Mamun Suhrawardy, Lieut.-Colonel Sir Henry Gidney, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. Gaya Prasad Singh: Sir, we have listened with very great interest to the illuminating speech of my Honourable friend, the Army Secretary. Before offering the few observations I should like to make on this Bill, I will refer to one point to which reference has already been made by my Honourable friend, the Army Secretary. It was, Sir, on the 21st February, 1928, that a Bill, conceived on similar lines, was introduced by the then Army Secretary, Mr. Young, and the rules of business were suspended to allow the motion for the reference of that Bill to a Select Committee to be made on the same day. At that time, the House, led by you, Sir, who made an effective speech, threw out the Bill. How I sincerely wish that on this occasion it would have been possible for you to come down from that Chair and lead this House in the same way you did on that famous occasion. But, Sir, I must say that, even if it were in your power to do so, this House, I am afraid, is not the House which it was when it threw out the Bill in 1928. I should like to refer here very briefly to some of the gentlemen who supported you very ably either by their speeches or with their votes, men like Pandit Motilal Nehru, Pandit Madan Mohan Malaviya, Lala Lajpat Rai, Mr. (now Sir) Muhammad Yakub, Mr. Jinnah, Sir Hari Singh Gour, Mr. Ranga Iyer and others, all of them contributed in bringing about the result which my Honourable friend, the Army Secretary, has deplored today. Among those, who supported the Government, were, as usual, my Honourable friends, Mr. Anwar-ul-Azim, Mr. Ghuznavi and Mr. Yamin Khan. But today I find that my Honourable friend, Mr. Anwar-ul-Azim, has given notice of an amendment for circulation.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): He has not given.

Mr. Gaya Prasad Singh: Anyhow, Sir, I find among the papers circulated to us that there is a notice of amendment by Mr. Anwar-ul-Azim which reads:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st July, 1934",

which I would be willing to support.

My Honourable friend, the Army Secretary, has referred to the history of the Bill. I do not want to repeat the observations which he has made in this connection, but I will only recapitulate very briefly the steps leading up to the present measure. In 1812, there was in existence, in India, a Naval Force, paid for, maintained and under the control of the East India Company. In 1862, it was decided in England that the Royal Navy should take over the naval defence of India and the Indian Navy was replaced by a non-combatant force. In 1884, an Act of Parliament created the Royal Indian Marine, and, in the first year of the German War, the Royal Indian Marine was incorporated with the Royal Navy for war purposes. After the war was over, the question of reorganisation of the Royal Indian Marine as a combatant force came under discussion, and the question was discussed in 1919 by Admiral Jellicoe who was leading the Expeditionary Force in France. In 1922 and 1924, the question was discussed, and it was then referred to a departmental committee presided over by Lord Rawlinson. In February, 1926, His Excellency the Viceroy announced, in the Council of State, the decision of the Government of India, with the concurrence of the Secretary of State and of the Admiralty, for the establishment of the Royal Indian Navy, and a simultaneous announcement was made in this House by His Excellency the Commander-in-Chief. That, Sir, was the first information, if I remember aright, of the intention of the Government to constitute an Indian Navy for India. In the next year, that is, in 1927, a Bill was passed in Parliament amending section 66 of the Government of India Act which provided for the establishment of the Indian Navy, and this provided that the British Naval Discipline Act might be made applicable to the Indian Navy with such subsequent modifications as might be found suitable. I should like, in the first place, to ask my Honourable friend as to why the Central Legislature was not consulted in all the proceedings that preceded the establishment of the Indian Navy for India? It would be interesting in this connection to refer to the proceedings in Parliament when that Bill was under discussion. On the 7th March, 1927, Mr. Lansbury asked the Under-Secretary of State for India:

"Whether the Legislative Assembly in India has approved of the proposal contained in the Government of India Indian Naval Bill now before this House."

To this question, Earl Winterton, the then Under-Secretary of State for India, replied:

"The publication of the Committee's report, on which the Bill is founded, gave Members of the Assembly an opportunity to initiate a debate on the whole scheme if they desired, but, so far as I am aware, they have not availed themselves of it in the twelve months that have since elapsed. As I stated on the 22nd February, 1926, the Assembly will, in due course, be required to consider consequential legislation."

That, Sir, I submit, refers to the Disciplinary Act which was placed before this House about five years ago.

Mr. Lansbury asked again:

"Would it not be worth while to postpone this Bill until the Legislative Assembly has assented to it?"

[Mr. Gaya Prasad Singh.]

Earl Winterton replied:

"No. As I explained in my answer, consequential legislation, which will follow, on the passage of legislation in this House and in another place, will have to be passed by the Assembly in India, and then will be the time to discuss the matter."

That was how this matter was brought before the Parliament on that occasion. Sir, in this connection, there are one or two questions which may be considered. The first question is, who will pay for this Indian Navy? The second question is, who will officer this Navy? And the third question is, under whose control will this Navy be? With regard to the first question, as regards payment, I need not labour the point. India has got the prescriptive right of footing such little bills as she has been doing for a number of years past.

As regards the next point, i.e., who will compose this Navy, my Honourable friend, the Army Secretary, has already referred to it, and I also find a reference to this in the debate which was held in Parliament on that occasion. Mr. Ammon moved the following Resolution:

"This House, being desirous of expanding the powers of the elected representatives of the Indian people in the control of Indian affairs, cannot assent to the second reading of a Bill for the provision of an Indian navy which fails to place such navy under the control of the Indian Legislative Assembly and has not been submitted to and approved by that Assembly and incidentally involves an increase in Imperial naval forces."

That is, Sir, with regard to control.

As regards the point as to who will compose the personnel, my Honourable friend has said that it will be many years at least before Indians will be able to take control of the Indian Navy. This complaint we have always been hearing from time immemorial that the Indians are unfit to take independent charge of any department of Government. If, after 150 years of British rule in this country, Indians are yet unfit to take charge of any department independently, I say, this places the greatest condemnation upon the character of British rule in India. Sir, Japan, which was nothing more than a geographical spot on the map of Asia, has, within the last 50 years, under her national system of Government, raised herself to the position of a first-class power, while India, under a foreign domination has not been able to take independent charge of any department of public utility in this country. This, I submit, is a great slur not upon the character of Indians, but upon the character of the rule under which we are living. What guarantee is there that if we gave our assent to the creation of this Indian Navy, we should not be treated with regard to the personnel of this force exactly in the same way as we have been treated in the Royal Air Force, or in the Indian Army, or in the Engineering department or in so many other departments from which Indians have been so rigidly excluded? Sir, I will refer to only one observation which was made in Parliament with regard to the matter of control. The Under-Secretary of State on that occasion, to which I have referred, stated as follows:

"It has never been pretended at the present transition stage of the Indian constitution that India through her Assembly has full control over the revenues of India. . . . and except for a very few Indians there is no demand that that control should be given at this moment."

Mark this last sentence, Sir, namely, that Indians do not want control over their own affairs. This is how our position has been depicted by the Under-Secretary of State in Parliament when this Naval Bill was under discussion. Sir, on that occasion, there were Members of Parliament who objected to the summary fashion in which the Bill was going to be made into an Act of Parliament without giving an opportunity to this House from the very process of initiation. This is what Mr. Wheatley said on the occasion of the third reading of the Bill:

"I want to take this opportunity of entering a most emphatic protest against the provisions of this measure. I do not know what case was or could be made out for the Indian navy, but I know that no case can be made out for an Indian navy which is not under the control of the Indian people. What we are asked to do here is simply farcical. We are asked to subscribe to a situation in which there will be an Indian navy which may be taken away by the very people who in certain conceivable circumstances may be India's chief enemy and used by those people while they retain the power, the right, to say who is to pay for the navy during the time it has been used without the consent of the Indian people."

Sir, I will not read any more quotations from the debate which took place in the House of Commons.

My Honourable friend, the Army Secretary, referred to the point as to why this particular moment has been chosen for reviving this Bill. But, from his illuminating speech, I fail to understand what urgency there is in choosing this particular moment for initiating this measure.

Mr. G. R. F. Tottenham: I said there was no urgency.

Mr. Gaya Prasad Singh: My Honourable friend has admitted that there is no urgency, and this is a very significant reply. The principal reason for choosing this present moment for initiating this Bill is that the Assembly is weak and is possibly on its last legs.

An Honourable Member: It is quite strong.

Mr. Gaya Prasad Singh: The result of this debate will show whether the Assembly of today is the same as the Assembly of 1928 when it failed to respond to the wishes of Government and threw out the Bill on that occasion. As I said on a former occasion, if Government were to bring forward a measure today that the Members of the Legislative Assembly should be hanged on the topmost bough of the nearest tree, they would still get a majority of this House on their side to earn a posthumous reward.

Sir, my Honourable friend then refers to the earnest desire of the officers of the Royal Indian Marine that they should obtain the dignity and status which this Bill seeks to confer upon them. Sir, I have nothing but the highest praise for the officers of the Indian Marine or of the Indian Navy which might come into existence, but this is a case which is to be looked at entirely from the point of principle as to whether this House would be justified in passing a measure like this on the present occasion or not. If this House refuses to give its assent, it should not be taken in any way as conveying any sort of slur upon the capacity and ability of those officers now serving. My Honourable friend also referred to the existing constitutional position under which it is quite open to His Majesty to convert the Indian Marine into a combatant force and to commandeer the services of the Indian Navy in times of war and other emergencies with the consent of the Governor General. I do not know whether it was . . .

1462

LEGISLATIVE ASSEMBLY.

[27TH FEB. 1934.]

Mr. G. R. F. Tottenham: The present law is that they can commandeer the Royal Indian Marine without the consent of the Governor General.

Mr. Gaya Prasad Singh: Do I understand my Honourable friend to say that, when this Bill is passed, they will not be able to commandeer the services of the force without the consent of the Governor General?

Mr. G. R. F. Tottenham: The position is that, under the Government of India Act, if this Bill is passed, His Majesty's Government will not have any control over the Royal Indian Navy without the consent of the Government of India.

Mr. Gaya Prasad Singh: May I know if a position like this exists in any of the dominions? Is it open to His Majesty's Government to commandeer the forces of any of the dominions, say, Canada or Australia or South Africa, without the consent, not of the Governor General, but of the Legislatures existing in those countries? I should like to be specifically referred to them in the reply of the Honourable Member.

The construction of the Singapore Naval base is significant; and, taken together with the time chosen by the Government in
1 P.M. reviving this Bill, it seems possible that a situation might develop in the Far East for which provision has to be made. War clouds are already rolling on the horizon, and it is quite conceivable that a world conflagration may arise and I have a shrewd suspicion that at the moment why this Bill has been chosen is to provide for such a contingency. If, as my Honourable friend says, there is no particular urgency in the matter, I would earnestly beseech him and the Government not to take advantage of the weakness of the opposition on the present occasion, but to allow this Bill to stand over for one or two years more till the constitutional changes take place

Sir Leslie Hudson (Bombay: European): or until the conflagration is over!

Mr. Gaya Prasad Singh: My Honourable friend, the Leader of the European Group, for whom I have great respect, has let the cat out of the bag when he says "until the conflagration is over"

Sir Leslie Hudson: That is what you said.

Mr. Gaya Prasad Singh: Does he really mean to say that my suspicion is correct? If there is no fear of any conflagration, if it is not the intention of the Government in bringing forward this motion to provide this force for participating in whatever possible conflagration there might be in the near future, why are Government so anxious to put this Bill on the Statute-book at the present moment?

Mr. G. R. F. Tottenham: Can the Honourable Member explain to me how he imagines the Royal Indian Navy will be able to participate in a conflagration in a way in which the Royal Indian Marine could not? That is the point? If there was a conflagration, the Royal Indian Marine would be just as much use as the Royal Indian Navy.

Mr. Gaya Prasad Singh: My Honourable friend says that the Royal Indian Marine could be utilised even now without this Bill. May I know why this Discipline Act is sought to be passed if it cannot provide for the discipline of the Royal Indian Marine in times of war and in times of peace? This Bill seems to be superfluous if my Honourable friend's contention is correct. If it does not add one inch to the position which the Royal Indian Marine occupies, I think there is no reason for enacting this measure at least at the present moment.

My Honourable friend has also referred to the fact that the naval force has already been called into existence; and by this Bill we are only providing a measure of discipline for that Navy. This is just the point of our complaint. By whose order has this force been called into existence?

Why were we not taken into confidence when the Royal Indian Navy was called into existence and the Indian Marine was converted into a combatant force? My Honourable friend also gave an assurance that no expansion of this Navy will take place without a popular demand. I should like to ask, what popular demand existed in this country for the creation of this Navy five years back or even at the present moment. What was the source of information in the possession of the Government to indicate that it was in response to an intense popular demand that His Majesty's Government in England took all the steps behind the back of the Indian people, behind the back of the Central Legislature, and then confront us with an accomplished fact.

Another assurance which has been given by my Honourable friend is that, in times of emergency, when the services of the Navy have to be commandeered for Imperial purposes, this Legislature will be consulted so far as possible. This expression "so far as possible"

Mr. G. R. F. Tottenham: I may explain that I only meant that an emergency might arise when the Legislative Assembly was not in Session; that was the possibility I was referring to.

Mr. Gaya Prasad Singh: When it is necessary to give protection, say, to the Tata industry, which, after all, is a small thing, an emergency Session of the Assembly was called; but when a big emergency, a world conflagration, arises, I do not understand what difficulty there is in calling a Session of the Central Legislature to decide this point. Things must have been moving for some time: it is not all at once that war breaks out and it is not all at once that the services of the Indian Navy will be necessary. After all, what is the strength of the Indian Navy for which my friend is proposing to bring a Discipline Act into existence? How many sloops will there be? How far will it be effective in stemming the tide of a world war, I fail to see. Further, my Honourable friend says that the position of this Navy will be exactly the same as the position of the Indian Air Force which was passed by this Assembly a couple of years back. There is one point of difference between the two. In the Indian Air Force, we have laid down that the personnel will be entirely Indian or of Indian origin—I do not remember the exact language used on that occasion

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Yes; of Asiatic domicile.

Mr. Gaya Prasad Singh: I forget the exact wording; but my main point is that the personnel of the Air Force was strictly confined to the people of India, while in this Royal Navy for which we are now providing, the

[Mr. Gaya Prasad Singh.]

position of an Indian will be not more than one in three, if I remember aright, that is, one in three of the Officers, who are to be taken every year, will be an Indian. What was said on that occasion? It was said that, in deciding the personnel, one Indian would be taken out of three if such an Indian could be found suitable.

I will refer, Sir, to the Report of Lord Rawlinson's Committee in which it is stated thus:

"With the proposed initial strength of the force, recruitment of executive officers will be required at the rate of about three a year."

Then, further on, they say:

"One vacancy in three should always be definitely reserved for an Indian if a suitable candidate is available."

This is all that they have promised in regard to the so-called Indianisation of this Indian Navy. This is the point of difference

Sir Cowasji Jehangir: Where do they say that?

Mr. Gaya Prasad Singh: It is given in the Report of Lord Rawlinson's Committee, and, for the benefit of my Honourable friend, I shall again read out that portion:

"One vacancy in three should always be definitely reserved for an Indian if a suitable candidate is available."

So one vacancy every year is all that is meant by this Indianisation of the Indian Navy, or two out of six as it is proposed on the present occasion.

Then, Sir, Lord Rawlinson's Committee further say:

"One appointment every year should be reserved for an Indian either from Dehra Dun or an English public school."

Further on, they say:

"As the age of study at Dehra Dun is 12 to 18, it is likely that several years will elapse before any Indian cadets enter the Navy from that institution."

Sir, the debate which took place in the House of Commons on the occasion, to which I have referred, was really very interesting. It throws a flood of light on many points under discussion on that occasion. Lieut.-Commander Kenworthy said in the House of Commons as follows:

"I wish to refer to the present Officers of the Royal Indian Marine. These officers have done their course at Whale Island and on His Majesty's ship 'Vernon' for the study of naval subjects, gunnery and torpedo. There is quite a respectable Officers' list in the Royal Indian Marine. There are nine Post-Captains—one is the Director—25 Commanders, 21 Lieutenant-Commanders, 29 Lieutenants and nine Midshipmen on the Officers' list. In addition, there is an Engineer-Captain, nine Engineer-Commanders, 25 Engineer-Lieutenant-Commanders, and 11 Boatswains, all of them Britishers, and there is not one of Indian birth in the whole of that list" . . .

Mr. G. R. F. Tottenham: There are now 12 . . .

Mr. Gaya Prasad Singh: I am glad to find, Sir, that there are now 12 out of ?

Mr. G. R. F. Tottenham: Out of about a hundred.

Mr. Gaya Prasad Singh: This, Sir, is the pace of Indianisation to which my friend refers with evident pride and satisfaction. Sir, the creation of this Naval Force will mean a non-votable item on the Budget

Mr. G. R. F. Tottenham: It is non-votable now.

Mr. Gaya Prasad Singh: It is non-votable without our consent. So far as we are concerned, we refuse to give sanction to the change in the status, in the dignity and position of the force which was formerly known as the Royal Indian Marine and which is now sought to be known as the Royal Navy

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member may continue his speech after Lunch.

Mr. Gaya Prasad Singh: I will finish my speech in two minutes.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member may have five minutes.

Mr. Gaya Prasad Singh: Thank you, Sir. I will finish my speech in two minutes. These are some of the observations which I should like to make in connection with this Bill. I will only conclude my observations by appealing to the Government not to be in a hurry to pass this measure on the present occasion, because it might give rise to an impression, which may be absolutely unfounded, that the Government are taking advantage of the present position of the Opposition in this House and that they are rushing through a measure which, as has been admitted by my Honourable friend, the Army Secretary, is not an urgent measure and which can well wait for a couple of years or so till the new Constitution comes into being, or at least until public opinion has been consulted.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): I want to say something on this Bill.

Sir Cowasji Jehangir: I also want to say a few words on this.

Mr. President (The Honourable Sir Shanmukham Chetty): He can speak after Lunch.

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 Sir Shanmukham Chetty) in the Chair.

Sir Abdur Rahim: Sir, the Honourable the Army Secretary,—I am sorry he is not here,—in his peroration, said that this Bill meant nothing

[Sir Abdur Rahim.]

to Britain or to British Government or to British navy, but that it meant everything to the Royal Indian Marine and everything to India. But, Sir, in the course of his speech he had said, and I took it down as he went on, that the Bill only wanted to effect a change in the name. That is what he said, and, so far as I read the Bill, its real intention seems to be to change the name with the exception perhaps of a few subsidiary provisions. If that is the real intention of the Bill,—to change the name of the Royal Indian Marine into Indian Navy,—I should like to know if that is what he meant by saying that this is everything for India.

An Honourable Member: He is not here.

Sir Abdur Rahim: Perhaps my question will be communicated to him. I do think that the Government of India and the British Government often are under the impression that we are very much attracted by names. For instance, the phrase "responsible government" has acquired a great attraction for us, but it is thought that we do not care to investigate what really lies behind the name. If that is all what the Honourable the Army Secretary meant, I will tell him that with some of us at least on this side of the House a proposition like that cannot carry any weight whatever. We do not want a mere change of name. If that was all that was needed, surely it could be effected by mere executive procedure. The name of the Royal Indian Marine might be changed into Indian Navy and a short Bill might be passed saying that, wherever the phrase "Royal Indian Marine" occurred, we ought to read it and understand it as meaning the Indian Navy. Sir, we heard with great attention the speech of the Honourable the Army Secretary. He apparently considered this Bill as a matter of very great importance. His last words conclusively show that, but what is the real importance and significance of the Bill he has not revealed to us. It is a great pity that he should not be here, because I wanted to ask at this stage a few questions. First of all, I should like to know whether the clauses relating to discipline, which, he said at one stage, was the sole object of the Bill, are new, that is to say, did the Royal Indian Marine have no Act for enforcing discipline? That cannot be. I think, therefore, that that cannot be either the object of this Bill. Now, Sir, the Honourable Member wanted apparently to make out—he did not say so in so many words, and certainly there is no provision in the Bill to that effect—that this Bill was laying the foundation for an Indian Navy properly and effectively so-called. If he had said that, he would have obtained considerable support, I might say, unanimous support from this side of the House. He has made it quite clear that at present there are no Indian Officers in the Royal Indian Marine. I think four Indians have been selected and are undergoing training. We are not told what is the total personnel of Officers of the Royal Indian Marine. But apparently the four men that have been selected will not count for very much. We have had an Indian Army, goodness knows for how long, and even now we are very far from that army being Indianised, that is, the Officer personnel of the Indian Army. If the four selected candidates undergoing training are the nucleus of an Indian Navy, we should like to know, in somewhat clearer terms, what is the pace of Indianisation the Department is going to adopt. We have not been told that. And that is not within the object of this Bill.

Then, the Honourable Member suggested that in the future the control of the Indian Navy or the Royal Indian Marine, as it is at present, would be vested in the Government of India. I should like him to tell us definitely on behalf of the Government, in which I include His Majesty's Government, that it is the desire of His Majesty's Government to vest the control of the Indian Navy in the Indian Government, the Federal Government, supposing we are going to have a Federal Government in the near future. He has not given us any assurance on that point either. He has told us that the expenditure on the Royal Indian Marine is not subject to vote, and that is the state of things which is going to continue under the new Constitution. I am very glad to see that the Honourable the Army Secretary is here now.

Mr. G. R. F. Tottenham: Sir, I apologise to the House for being late. I can only say I am very sorry. I thought that the time was half past two and not a quarter past two.

Sir Abdur Rahim: I am perfectly sure that the Honourable Member did not mean any discourtesy to this side of the House.

Then the question was raised, and I should like to know from him if it is correct that the Indian Navy or the Royal Indian Marine will not be utilised for purposes other than of purely Indian defence, without the consent of the Legislature or the Government of India. I would ask the House to bear in mind that there is a vast difference between consulting this Legislature and acting on the advice of this Legislature. We know, under the future Constitution, there will be no more Governor General in Council. There will be Governor General in his discretion and there will be a Government of India, but no Governor General in Council. This Bill throughout speaks of the Governor General in Council. We do not know what is going to be the position under the new Constitution. There are the White Paper proposals, but the whole matter is under investigation by the Joint Parliamentary Select Committee. They have not yet reported, and then, when they have reported, their report will be submitted to the examination of both Houses of Parliament, and if the Bill, as reported upon and recommended by the Joint Parliamentary Select Committee, is passed by both Houses of Parliament, then and then alone we shall have the new Constitution. What the nature of that new Constitution will be, no one knows. I should like the Army Secretary to tell us if he has any instructions on the point whether the Indian Navy will be under the control of the Government as distinguished from the Governor General in his discretion. So far as the Army is concerned, he knows that the proposal of the White Paper is to remove the whole subject from the Government of India. It will be administered by the Governor General with the help of an adviser and the Commander-in-Chief directly under the responsibility of the British Parliament. That is the proposal of the White Paper. Is it suggested by the Honourable Member that the Indian Navy will be placed in a different position? Now, I think he told us that the Secretary of State had instructed the Government of India that the Legislature would be consulted, if the Indian Navy was to be utilised for purposes other than for purely Indian defence. I believe I have correctly stated the position which has been put before the House by the Honourable Member. If that is so, that is a very different thing from saying that the Indian Navy, as it exists at present or as it will develop afterwards, will be utilised by the British Admiralty for Imperial purposes.

[Sir Abdur Rahim.]

only with the consent of the future Government of India and of the Indian Legislature. That is a subject which is dealt with very briefly in the White Paper proposals, but, so far as I could gather in London, no definite policy has been laid down yet with respect to that matter either, and I think it is due to us that the Honourable Member should enlighten the House on this point also. He has told us that this Bill does not involve any extra expenditure, and he is perfectly right so far one can judge from its provisions. Now that he is here, in his place, I would like to ask him, in view of what he stated in the course of his speech that what this Bill means is that the name of the Royal Indian Marine will be changed into that of Indian Navy whether that was all that the Bill intended to effect. He said at the end of his speech that this Bill means everything for India and it means nothing to Britain. I ask him whether he meant that the change of name has so much significance to this country. Is that all? That is the point, I hope, he will deal with. If he says that besides changing the name, it has some other significance, will he be prepared to take this House into his confidence? Is it in any way connected with the question of disarmament or any trouble that may arise in the East? Surely without disclosing any political secret, he might give us some idea whether this Bill is connected with such momentous questions, and, if so, in what way. He has dilated a great deal on the point that the British Navy cost a vast amount, while the Indian Marine costs very little in comparison. We are fully aware of that. If he was proposing to create an Indian Navy, properly speaking, under our control, manned mainly by our men, under the direction, for some time to come, of British officers, we could very well appreciate that position and we should be very glad indeed to give support to it. But that is not the scope or intention of this Bill. He has told us that he is not in a hurry with this Bill. Well, that shows that no emergency exists with reference to which this measure would be of any assistance to the Government of India or to His Majesty's Government. If that be so, we should like to know why should not the Government wait till we had the new Constitution Act. Nobody knows what the new Act is going to be, and why try to anticipate events about which the Honourable the Army Secretary also knows nothing.

Sir, one Honourable Member suggests that they know everything. I doubt that. I have been to London, and for seven months I heard considerable discussions of the White Paper and very searching discussions indeed and the impression I gathered was that everything was not smooth sailing from any point of view, and nobody knew exactly what the future was going to be. I am certain that so far as His Majesty's Government in Great Britain is concerned, they know their own mind. Certainly the Secretary of State knows. His very full exposition of the proposals in the White Paper made it quite clear what they wanted, how far they were prepared to go and how far they were not prepared to go. But there is a democratic Government in Great Britain; a party Government, and the last impression I brought away from that country was that the future of the Constitution for India could not be said to be at all certain, that is to say, what exact form the Constitution would take. Sir, if there is no hurry, why this measure should be pushed through this House? I ask, why should not the Government wait a sufficient time and bring before us a properly considered measure—with something tangible, not merely a change of name, but something which will give a promise to

this country of a future Navy, an Indian Navy, a Royal Indian Navy? Why not wait till you know exactly the constitutional position, till you know exactly what is going to happen with regard to the control of the Indian forces generally, and then bring forward your Bill? Sir, so far as I have heard the Honourable the Army Secretary, he did not give us any good reason why he could not wait till the new Constitution came into force.

Let us see how this present Bill has been drafted. I have gone through every clause of this Bill. We have not before us the Naval Discipline Act of the British Parliament.

Mr. G. R. F. Tottenham: May I say that copies of the Naval Discipline Act were circulated to Honourable Members when the Bill was introduced. I do not know whether the Honourable Member still has his copy.

Sir Abdur Rahim: I am very glad to hear that. I was not here at the time and I did not receive a copy. The Bill amends certain, what I would call more or less minor, provisions of that Act as regards discipline. For instance, there are certain sentences which are enforced in the British Courts in a particular way, while similar sentences are enforced in Indian Courts in a somewhat different manner. Then, our Courts are also constituted somewhat differently from the British Courts. Now, that is really the scope of this Bill so far as its provisions are concerned besides the change of name.

Now, I should like to know also what is the Government's position in respect of another matter. This is a drafting point, but it is an important point, and, as a lawyer, I should like to bring it before the House. The Naval Discipline Act consists of a large number of provisions of an important character, and if we are going to have an Indian Navy even in name, on paper, then why not have a self-contained Act? What is the good of saying—"instead of this, read that", throughout a big Act, an important Act like that? Sir, this is the point. I suppose somebody or other will have to administer the Act, and surely it would be much more easy for him to know what is in the Act as a whole, what are the principal provisions of the Act, how they inter-relate, how a certain provision is to be interpreted with reference to other provisions of the Act if he had the entire Act before him. Instead of that, what we have in this Bill is really most bewildering: at every point you have got to turn to the sections of another Act and to substitute certain words for other words. You won't have the whole law before you. So I suggest, on that account also, it would be advisable that Government should not hurry with this Bill, but bring in a Bill—an entire self-contained Indian Navy Bill.

So far as I am concerned, Sir, I am a great believer in the discipline which is enforced in the British forces—and I believe—and everyone who knows anything about the subject, I daresay, believes—that the British Navy is one of the most efficient fighting forces in the world, if not the most efficient force in the whole world. (Hear, hear.) Therefore, I should not have the slightest objection to enforcing in India that discipline, that rigorous discipline which is enforced in the British Navy. On the question of merits, therefore, there will be no difficulty whatever, though, as regards the form of legislation, I do see objection to this Bill. Sir, I am very conscious that we in India, in every walk of life, require much greater discipline than is to be found in this country. In every walk of life, I have

[Sir Abdur Rahim.]

found in Europe, and especially in Britain with which country I am much more familiar than any other country of Europe, there is an amount of discipline which makes the social life, the Governmental life, the departmental life run smoothly and efficiently, and which is very much lacking, at any rate does not exist to anything like the same extent in our country. (Hear, hear.) Therefore, if it be the desire of the Government that they will enforce the same amount of discipline, the same nature of discipline as is enforced in the British Navy, I think Government will find very little opposition from this side of the House. (Hear, hear.) On the other hand, I think they will find very full support from us. But I do suggest—and I would ask the Honourable the Law Member, the Leader of the House, to consider carefully whether it would not be better and whether it would not give a better picture to the country of what the naval forces of India are and how they are administered if we had a self-contained Act reproducing, if you like, all the provisions of the English Act. That would be far better than a Bill like this which says—"instead of these words, put in such and such words in such and such places".

Then, Sir, lastly, I do suggest, as there is no particular reason why this Bill should be pushed through this House very soon, that Indian opinion should be consulted, properly consulted, and this Bill should, therefore, be circulated for eliciting public opinion thereon. If it merely be the change of name that is intended, that, of course, would not create any difficulty, but I do not think, having heard the speech of the Honourable Member in charge of the Bill, that that could be the sole object of this Bill. He made an important speech with an air of considerable seriousness, and I do think that there is something important and significant in this Bill, and what I feel is that my Honourable friend did not make clear what that significance is. At any rate, it is due to the public of this country that they should have the Bill and consider its provisions and make whatever suggestions they can in order that a real Indian Navy may be established in this country.

If you will allow me, Sir, I should like to move the motion that stands in the names of Mr. B. Das and Mr. S. C. Mitra

Mr. President (The Honourable Sir Shanmukham Chetty): It would perhaps be in order if either Mr. Das or Mr. Mitra moves it. Mr. B. Das.

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

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st July, 1934."

Sir, I am glad my amendment has already the full support of my esteemed friend, the Leader of the Opposition. I did not give notice of a motion like this, because already it was tabled by the representative of a sea-faring people, by my Honourable friend, Mr. Anwar-ul-Azim, who hails from Chittagong. Although I come from another sea-faring tract, Orissa, I felt that the credit of such a motion ought to go to the representative of Chittagong, because the people of Chittagong had been sea pirates and sea farers from ages and had controlled the maritime activities in the Bay of Bengal for thousands and thousands of years. When a similar debate took place in 1928 to which my Honourable friend, Mr. Gaya Prasad Singh, has already referred and which was initiated by you in that admirable manner which very few of us can imitate at present, I had the privilege

to take part in it. I then suggested that there was no use of that Bill. It was 1928 and the Simon Commission was not then in sight. So I said that we had better wait till the new Constitution. I said:

"Let us see the full implication of the defence control of India, and if India should have an Indian Navy, then let those who will work the new Constitution look after it."

My Honourable friend, the Leader of the Opposition, has already pointed out that one does not know really what would be the position of the Army and the Navy under the new Constitution. If a unanimous opposition was put forward by the representatives of this House in 1928, it was due to the suspicion that army control might not be transferred to the Legislature of India as it was thought by the then leaders of the country. At that time Pandit Motilal Nehru was alive, and although there was a difference of opinion—Pandit Motilal Nehru was not then a Member of the Assembly—there was no difference of opinion on the merits of the question. India wanted full control of the Army including the Navy. Since then, various plots have been hatched in different Round Table Conferences, and even the Joint Parliamentary Committee had sat and is going to report soon. Some of my friends in this House also represented us in those Conferences. The Percy Committee recommended that the Army should cost 46 crores when Burma gets separated, and this 46 crores should be controlled by an Army Councillor. The Army Secretary also referred to the Army Councillor and I take this opportunity to congratulate him on his masterly statement of the whole case today. He has done justice to the Opposition side as far as he could sitting as he is on the Government Bench there. He did justice to us except that he did not explain those underlying points on which we laid stress on that occasion and on which we are going to lay stress now and on which my Honourable friend, the Leader of the Opposition, has already laid stress. We now know the future constitutional position. The Army Councillor will be under the Governor General, and not under the Governor General in Council. In 1928, we talked of "the Governor General in Council", and there was no idea of the "Governor General"; there was no White Paper and there was no discretionary powers of the Governor General. So, Sir, while at heart I support the main points advanced by Mr. Gaya Prasad Singh and Sir Abdur Rahim, I think it would be the best thing if the Government of India in the Federal Legislature bring forward such a proposal. I know that, if my motion is accepted, and if the Bill is circulated, even the very British administrators in the different Provinces will raise objection to this. Sir, I have a grouse against the Government and it has already been stated by the Leader of the Opposition. If the Government want us to have an Indian Navy, let them bring out a comprehensive scheme. But they do not do that. They want simply to bring this disciplinary measure as if the Indian Marine is not under proper discipline today under the British Commanders and the Admirals that administer the Indian Marine and as if theft and various other offences narrated in the Bill, such as sodomy, thefts, felony, etc., are committed every day. Then, Sir, it is said that there will be better control and better morale if we create an Indian Navy. We know what it is going to mean. It will only mean this that, under the guise of an Indian Navy, whatever money will be required the Government will force us to supply it. Then, my Honourable friend, the Army Secretary, will make a speech saying that this House approved of this Indian Navy scheme, and therefore, it must sanction an expenditure of Rs. 10 crores. They would not leave it to the Federal Constitution and see whether the Federal Constitution will be able to finance it or not.

[Mr. B. Das.]

There is one point, Sir, which I wish to refute strongly which fell from the lips of the Army Secretary. He said that India and Indians had no seafaring mind. Unfortunately, the Army Secretary, hailing as he does from the Presidency of Madras, had no opportunity to read the old history of the East India Company or to read of the maritime activities of the various people of India. But even in the Madras Presidency, the Calicut side and the Coromandal coast possessed mercantile ships which won the admiration of the Western merchants that traded with India in the seventeenth and the eighteenth centuries. I am now talking of the eighteenth century, and if my Honourable friend, Mr. Thampan, will only wait for a few minutes, he will know what India had and how the policy of the different administrators of the Government of India have completely killed the ship-building and the maritime instincts of the people of India. I would just quote one passage from a Frenchman, F. Baltazar Solvyns, who, in his book, *Les Hindous*, in 1811, wrote as follows:

"In ancient times the Indians excelled in the art of constructing vessels, and the present Hindus can in this respect still offer models to Europe—so much so that the English, attentive to everything which relates to naval architecture, have borrowed from the Hindus many improvements which they have adopted with success to their own shipping. . . The Indian vessels unite elegance and utility, and are models of patience and fine workmanship."

When my Honourable friends from the European Group, who are the natural heirs to the throne of the East India Company, will rise and speak, they will also agree with me that the East India Company built most of their ships in the Indian harbour, in the port of Calcutta.

An Honourable Member: And Bombay too.

Mr. B. Das: Yes, that is so. I will come to Bombay presently, and I know this also that there have been no greater pirates than the people of Bombay. Lord Wellesley, the Governor General of India, was able, in 1800, to thus testify to the growth and possibilities of Calcutta as a shipping centre:

"The port of Calcutta contains about 10,000 tons of shipping, built in India, of a description calculated for the conveyance of cargoes. From the quantity of private tonnage now at command in the port of Calcutta, from the state of perfection which the art of shipbuilding has already attained in Bengal (promising a still more rapid progress and supported by abundant and increasing supply of timber), it is certain that this port will always be able to furnish tonnage to whatever extent may be required for conveying to the Port of London the trade of the private British merchants of Bengal."

I hope my Honourable friend, Mr. Morgan, who has already benefited much by this is listening to what I am saying.

Mr. G. Morgan (Bengal: European): I am listening very attentively.

Mr. B. Das: I will now give the House something about shipbuilding. Mr. Radha Kumud Mookerjee, in his book on Indian Shipping, says:

"The greatest building years were 1801, 1813 and 1876 when 10,079, 10,376, and 8,198 tons respectively were put in. The Indian Navy, which was thus created and built up by the efforts of the East India Company, took an active part in the first and second Burmese wars and the first China war. A great deal of its service was performed outside local Indian waters, in the Persian Gulf, in the Red Sea, and on the shores of East Africa. It also protected and facilitated the trading operations of Indian merchants with distant ports."

I take pains to bring out these facts before the House, because it pained me to listen that we had no maritime or naval instincts. After 1811, when the steam power and the steam engine was designed, both America and England experimented in steamers and the local patriotism of the East India Company and those who used to administer India on their behalf and also the Government of India were responsible for killing the trade of India and also in the stoppage of the construction of sailing boats and steamships in India. A few minutes ago, one Honourable friend asked if Orissa was not a maritime country. I submit that we Oriyas were entirely a maritime nation. The Europeans and Indians, who have visited and seen the mighty and glorious architecture of Orissa as found in the monuments and temples that are still in Orissa, will testify to the greatness of the

Oriyas as a maritime nation. Those who have visited Java and seen its huge temple, the Borobander Temple, or those who have visited Cambodia and seen the huge Hindu temples, that are still there today under the French administration and protection, would realise that those temples in those far off places were built by the Oriyas who were a maritime people and who used to carry on trade between Orissa and Java, Cambodia and Sumatra and also with my Honourable friend Mr. Thampan's territory, Malabar and Calicut, about which I told yesterday my Honourable friend, the Commerce Member, that the trade had been stopped by the rates policy of the B. N. Railway and the M. and S. M. Railway. I wish also to take my Honourable friend, the Army Secretary, —as he will be the future Naval Secretary—I wish to take him to the India of the past and also of the future. In Calcutta and in the Port of Calicut, sailing boats were being manufactured. They were named as *Pinnace* or *Yacht* and these were built in Calcutta. Mr. Mookerjee in his book on Indian Shipping says:

"The vessels from the Ganges were called *Schooners*, which were very well fitted out and 'able to make a voyage to Europe' their pilots being 'very Skilful'. The *Bangles* were the largest Indian boats, some of them carrying four thousand or five thousand maunds of rice. *Brigs* were ships that came from the coast of Coromandel and Malabar, bringing to Calcutta the produce of those countries."

Today, under the British administration, nothing is left to me but my past glory. I feel that the time will come when, if Britain will be honest and just to India, India would get a chance again to have her own naval dock-yards where steamers and ships could be built as in days gone-by.

Mr. N. M. Joshi (Nominated Non-Official): When will that be?

Mr. B. Das: When will that be, asks a Round-Tabler and a Member of the Joint Committee. May I ask, what has he secured for me at those Conferences which he attended? Has he secured for me the right to control an Indian Navy? The Honourable Member has secured no rights for me. As far as I understand, in the future constitution, subjects relating to the Army are excluded from the purview of the Legislature. Today my objection to this Bill is that India cannot bear any additional financial burden. I cannot ask the Indian tax-payer to pay more and more taxes in order to create an Indian Navy. I agree entirely with the Leader of the Opposition that the Indian Navy will be used by the British War Office against Asiatic countries, because the Kellogg Pact and some other Pacts today want the British Government to reduce their expenditure on armaments for which Sir John Simon and Mr. Arthur Henderson had been perambulating all over Europe and they cannot do anything on the question of reduction of armaments; and yet the British people are very wise. They have got their Indian Empire. They want India to be the nursing ground

[Mr. B. Das.]

of the British Army and the British Navy, so that, under this guise of the defence of India, at a moment's notice, India will be able to produce army and navy which can go to the rescue and safety of the British Empire. Why not be honest with us? If you are friends with us, we will also be friends with you. After the Federation, I will be the first man to vote ten crores of rupees for an Indian Navy, if only that Navy will be controlled by the Indian Legislature, and not by the Governor General who is controlled by the Secretary of State, six thousand miles away, who again receives his orders from the War Office, from the secret Army Council. That is our suspicion. When, after circulation of this Bill, my Honourable friend, the Army Secretary, satisfies us and takes us into his confidence that these natural suspicions of the Indians will be satisfied and even met, then it may be that the Bill will receive our sanction and the Indian Naval Bill will receive the approval of this Legislature.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st July, 1934."

Mr. F. E. James (Madras: European): Sir, I think the whole House will agree that my gallant and Honourable friend, Rear Admiral B. Das, has established a claim that Orissa should be a maritime Province. (Laughter.) I would, of course, remind him of the maritime history of the Tamil nation many, many years ago, whose enterprise took Indian ships into the far east and blazed the trail for a most important trade route between India and China. And one finds even to this day traces in the Dutch East Indies of settlements with Tamil names and of families whose forbears first migrated from the great Tamil country of the south. So that Mr. Das's claim for Orissa is not a claim that is not shared by other Provinces.

Now, Sir, as far as this Bill is concerned, as I understand it, it is merely the final stage in a series of stages which are designed to create an Indian Navy in the sense that the Australian Navy and the Canadian Navies were created by similar stages. We had, first of all, the Government of India (Indian Navy) Amendment Bill which amended section 66 of the Government of India Act, and we are now being asked to confer upon our naval forces here combatant status so that the Royal Indian Marine will become one of the navies of the Empire. I believe,—I am not quite sure, but perhaps my Honourable friend, Mr. Tottenham, will correct me if I am wrong,—I believe that one of the symbolic results of that status will be that the Indian Navy ships will be allowed to fly a white ensign on the stern with the flag of India in the bows. That is a high privilege, because it means that this force does receive a very definite status of its own which is far higher than the status at present enjoyed by it. And I think there was great force in Mr. Tottenham's suggestion, that, if nothing else resulted from this Bill, for the time being at any rate there was justification for it if it resulted in giving to the Officers and men of the present forces a status which their worth and their work have thoroughly deserved. Sir, this Bill also seeks to apply to those services the common Naval Discipline Act of the Empire.

The Honourable the Leader of the Opposition suggested that it would be far better if the Bill were a self-contained Bill and if it were in the form of an Indian Navy Discipline Act. That is a matter for draftsmen

and should be threshed out in the Select Committee. But, speaking personally, I think there is a good deal of force in that suggestion.

Sir, it is interesting to observe the development in regard to the naval forces of the dominions. I find that the most enthusiastic of all the dominions in regard to naval forces has been Australia which has a fleet, now seriously diminished, completely under Australian control even in times of war, unless the Australian Government decides to transfer its services to the British Navy and the Admiralty. Unfortunately the stress of economic circumstances has resulted in a diminution of that fleet, and there is a growing tendency even in Australia today to be content with the defence which the mother-country can supply. In New Zealand, the naval forces are in a sense a branch of the British Navy. In peace, they are under their own control, but immediately war breaks out, automatically they come under the control of the British Admiralty and form part of the British Navy. The Royal Canadian Navy is under Canadian control, but there, again, the early enthusiasm for the formation of a Dominion Navy has largely evaporated with the result that today there are only two destroyers, and four mine sweepers. In South Africa, the experience is interesting, because South Africa has been one of the dominions which has gone furthest in the expression of its own self-governing instincts than any other dominion; and we find that there is no South African Navy. They are content to have a South African division of the Royal Naval Volunteer Reserve under the Commander-in-Chief of the African station. They have two mine sweeping trawlers and one surveying sloop and the result of that is, of course, that that small force forms an integral part of the British Navy in times of both peace and war and is subject to Admiralty control. I mention these points, Sir, because the experience of the dominions is interesting at a time when India is contemplating her own naval force. I think if one looks far into the future that one would come to the conclusion that probably India, after manning and equipping with her own citizens a small naval force, will be content on all major occasions with the defence of the mother-country.

Now, Sir, one or two objections have been mentioned in regard to the passing of this particular Bill at this moment. There are, of course, the constitutional objections which were so well stated a few years ago by a most brilliant Member on the floor of this House, one Mr. R. K. Shanmukham Chetty. And I shall not repeat those arguments, but I merely say that, if force is to be given to the constitutional position, those arguments carry almost as much force today as they did in those days. Then there is the argument of the possible fear of complications in the far east or the near east and that this Bill is designed in some way or other to strengthen the British naval forces in view of that contingency. I think that argument can be disposed of by one simple question. If there was anything in that argument, would the British Government be prepared at this time actually to surrender what control it has over the naval forces of India today? That is what this Bill means. At the present moment the British Government can at any time commandeer the services of the Royal Indian Marine,—that is the legal position,—whereas, once this Bill goes through, that cannot be done without the sanction of the Governor General in Council; and, presumably, as the Governor General in Council even today is responsive, if not responsible, to the Legislature, the Legislature would be consulted. In fact, the Army Secretary has explained to us that the Secretary of State has already given that undertaking.

[Mr. F. E. James.]

There are two other points that have been made. One is that a Bill of this nature, which puts the coping stone on the constitution of an Indian Navy, is of little value owing to the terms under which Indianisation is to proceed. Now, Sir, I understand that the total officer forces of the Marine is roughly about a hundred, and, therefore, the actual number of recruits required each year is bound to be very small on the present establishment. The Honourable the Army Secretary has told us that recruitment is to take place, as to Indianisation, at the rate of one to two; and that, as a matter of actual fact, there has been great difficulty in the past in securing people of the requisite ability and temperament for this kind of post. I should like to ask the Honourable the Army Secretary whether, if Indians do find themselves available or able to pass the examination, which is only a very small part of the real test, and are also able to satisfy the training authorities and prove by their experience at sea that they are suitable, is that mechanical limit absolutely fixed, like the law of the Medes and the Persians? I realise the difficulties and that the rate of Indianisation in the Indian Navy of the future as laid down at present is even greater than it is in the Army. But I do also realise the force of Indian feeling on this particular matter, and I would like to ask the Honourable the Army Secretary whether that is a mechanical limit which cannot be changed if circumstances change in the direction of proving that there are Indians who are able and fitted for these posts of responsibility.

A motion has been moved to circulate this Bill for public opinion. I am frankly sceptical of the value of the public opinion which we shall receive, not because there are not people who are qualified to give that opinion, but because of the form in which the Bill is sent out. It is no use asking merely for an opinion on this particular Bill, because it is very largely a technical matter—it deals with disciplinary subjects, and ordinary opinion on these matters would be of little avail. But if the reference goes out in the broader sense and accompanying the Bill there is a very detailed statement as to the history of this whole development, and, I would also suggest in addition, a statement as to similar development in other parts of the Empire, then I think that some opinions might be received which will be of value; and if these suggestions are agreed to by the Army Secretary, we should not oppose circulation.

Sir Cowasji Jehangir: Mr. President, I would first like to congratulate the Army Secretary on one of the most lucid speeches heard from the Government Benches. Not only was it lucid, but, in my humble opinion, he gave us a very fair statement of his case, putting not only his point of view before us, but putting the point of view of this side of the House as he understood it from his reading of the previous debate.

You, Sir, we have heard and we have seen, were one of those on this side of the House who opposed this measure and were instrumental with others in throwing it out. Today, if you had not had the great privilege of sitting in the Chair, you might have been here, Sir, to support us in our desire to see this Bill circulated; but I venture to suggest, not knowing your mind, or having had any discussion with you, that you, Sir, would not have been a party to throw out the Bill, because circumstances have changed: much water has flown under the bridge since that debate. So far as I can understand, the reasons for having thrown out this measure, I admit that they appear to have been good and sound in

1928. In 1928, the Assembly had before them an amendment of the Government of India Act of 1927, which gave power to the Governor General in Council to make whatever use he chose of that navy in peace and in war without consulting this House or without consulting public opinion in this country; and on that ground alone perhaps, Mr. President, you and your friends were justified in rejecting this Bill. But since then we have had occasion to discuss the future constitution with regard to the defence of this country. It was prominently brought up during the three Round Table Conferences and it is no secret that those discussions did not give the Indian delegation the satisfaction that they desired. Still it opened their eyes to the position today and the likely position in the future.

So far as I can understand the Army Secretary, this so-called Navy of ours is going to be lumped together with the Army, and whatever fate the Army will suffer from our point of view—i.e., whatever may be the constitution with regard to the Army—that constitution will apply to the Navy. If the Army is going to be under the Governor General at his discretion in the future, the Navy is going to be the same. My Honourable friend, Mr. James, gave just now an exposition of the constitutional position. I am afraid I cannot agree with him. He said that today the British Government could commandeer, whatever few ships we had, in time of war without the consent of the Government of India. True, that is the constitutional position. What is the constitutional position going to be in the future? Just the same; for the Navy is going to be under the Governor General at his discretion, that is, under the Secretary of State, and, therefore, they can legally commandeer it in the future just as much as they can today. That is the constitutional position, and whether you pass this Bill or you do not, there is going to be no change in the constitutional position with regard to the Navy. There is certainly going to be no constitutional change with regard to the Navy as compared to the Act of 1884, because the Navy like the Army is going to be under the Governor General and the Governor General alone, and not under the Federal Government, but the Governor General at his discretion. But let us admit that one great concession has been made at the three Round Table Conferences: that was an admission by the Secretary of State that he would not allow the Indian Army to be used by the Governor General for purposes other than the defence of India without the approval of the Legislature. I deliberately use the word "approval" and not the word "consult", because I have a very vivid recollection of the discussion that took place. The point was raised that the Legislature might not be in Sessions when the Army might suddenly be required. The answer was that the Federal Government would then act at their discretion subject to, or in anticipation of, the approval of this House, and, therefore, Sir, so far as my recollection goes, the undertaking given by the Secretary of State with regard to the Army was that it would certainly be used in any part of the world for the defence of India without the sanction of this House, but if it was to be used in any part of the world for any purpose other than the defence of India, the approval of this House would be obtained, and if there was not sufficient time to obtain that approval, it would be used with the concurrence of the Federal Government, subject, of course, to the approval of this House to be obtained later on. That is my understanding of the undertaking given by the Secretary of State, and I would ask my Honourable friend to tell us whether, when he conveyed a message to this House this morning from the Secretary of State, that message was of a character that I have tried to explain.

[Sir Cowasji Jehangir.]

that is to say, that the Navy would not be used for purposes other than the defence of India without the approval of this House? There is a great difference, as my Honourable friend, our Leader, said, between "consult" and "approval", and I would like that point made perfectly clear.

Then, Sir, the next important issue is the speed of Indianisation. We note that at present it is one to two in the recruitment for the Royal Indian Marine, and I was really very surprised to hear from my friend that even that recruitment was found difficult. Sir, I cannot help feeling that this recruitment for the Royal Indian Marine has not been properly advertised. I had the temerity to interject and ask him why we could not make use of the "Dufferin"? Surely that is a good training ground; surely, the young men are of the proper age. He did tell us that they had used the "Dufferin". But why not make use of it more extensively for recruiting youths that you may require for the Royal Navy of the future? Why, Sir? Between the time he spoke and the time I returned to this House,—that is, merely during the time I had for lunch, I got one recruit for him,—and surely if I could obtain one recruit during the time of lunch, he could find two or three during the whole year. I feel, Sir, that this question of difficulty of recruiting suitable boys is not a solid defence. If you want boys of 14 to be supermen before you recruit them, you are not going to get them in any part of the world, but if you want young Indians, just as good material as you can get in any part of the world,—the younger the better,—you can get them in this country just as well as you can get in any other country if you will only keep your eyes open, your ears open and allow your tongues to wag a little more. Sir, if you keep these appointments secret,—so much so that,—let me admit my ignorance,—I did not know till this morning that you were recruiting for the Royal Indian Marine,—let me tell that frankly,—that if I, a Member of the Assembly, living in the City of Bombay, was ignorant of that fact, how much more will other parents, ready to send their boys into the Navy, be ignorant of the fact that their sons have a chance of getting into one of the great defence forces of this country?

Sir, I do desire to draw attention of the Government to a point that has been brought up in this debate. Government were asked "you now come up to us to change the Royal Indian Marine into the Royal Indian Navy, but when you made the Royal Indian Marine a combatant force, did you so much as ask us,—'if you please'?" Now, such arguments are going to be brought up against this Government time and again in the future,—time and again let me say,—because in the past you had acted as if you were the only masters in India, there was no such thing as an Assembly, there was no such thing as a European Group even to consult, there was no such thing as public opinion, whether it be Indian or European; in the past you considered yourselves masters and acted as masters would in their own household with their servants. You are going to be reminded of that over and over again in the future whenever you come and ask for amendments or improvements; for, irresponsible as we are,—and for the Army we are going to continue to be irresponsible,—we will tell you that you did this of your own accord without even asking us, "if you please."

Sir Lancelot Graham (Secretary, Legislative Department): Is the Honourable Member addressing the Chair?

Sir Cowasji Jehangir: Well, my friend suddenly realised the rules of debate. Sometimes in the House of Commons it is very common to address the opposite benches, as I have been addressing you. If my friend does not like it, let him get up and reply, but let him not raise this sort of point of order.

I say "You" to the Government Benches,—when you did it in the past, remember, Mr. President, that the point will be brought up again and again, and it will be specially brought up in departments where this side of the House is to be kept irresponsible,—it is nothing to be surprised at at all,—it is nothing about which you can complain; you may think that there is irresponsibility on this side, you may consider that we do not do justice to a question when you bring it before us or that we don't consider it on its merits,—but when you have done everything in the past, and you simply ask this side of the House to put its sign of approval to a measure, do not be surprised if this side of the House turns round and says: "You are responsible for the baby; you are responsible for the infant; we are not going to be responsible for the child until you give us the control over the child in regard to its education, maintenance and everything else". Sir, I fully realise the necessity of this Bill. The necessity of the Bill is the question of prestige, it is a question of sentiment. The Royal Indian Marine has not got the position of the Royal Navy. You will find officers of the Royal Indian Marine attaching to their names the letters R. I. M., but they want the privilege of fixing the letters R. N. (Royal Navy) to their names, and, if this Bill is passed, whether they be Indians or Europeans, they will be members of the senior fighting force of England. That is what they want, and that is what they are most anxious to get. I have not the slightest hesitation in conceding that to them if it was in my humble power,—but I have no power,—let them have that privilege, let them be called Members of the Royal Navy,—I have no objection. But these constitutional questions do arise, and I would put it to my Honourable friend, the Army Secretary, from another point of view.

The Army is a well established fighting force in this country. The Navy is merely a baby compared to the Army in India. Would it not be in the interests of all concerned to give this House, to give the Federal Government a little more power, a little more responsibility for the Navy than you can afford to give with regard to the Army? Would it not interest this country in their Navy much more if you give them and their Federal Government a little more responsibility, and allow them to vote the money for the Navy? I venture to suggest that if this House in the future was given the power to vote the monies for the new Navy, and if Government came up and asked for Rs. two or three crores—they are asking for Rs. 60 lakhs now—the House would say most probably, take Rs. two or three crores and give us a better Navy. It is quite possible, that may be the position. This matter was never discussed at the Round Table Conferences. It was all lumped together in the question of defence. The Army was so predominant in our minds that we never thought of the Royal Indian Marine. I venture to suggest that several of us would have put this point of view before His Majesty's Government. You can well afford to give this side of the House more privileges, more powers, more responsibility with regard to this little Navy rather than tinker or meddle with the Army. I would ask my Honourable friend to ask his Government to consider it from that point of view and to tell us what he thinks and

[Sir Cowasji Jehangir.]

his Government think when this Bill comes back before this Honourable House with the opinions of the country. I would again mention for the information of my Honourable friends that this is a very safe line of advance in responsibility in the fighting forces. I can understand the hesitation of His Majesty's Government, of the Benches opposite, or even many of the Honourable Members behind me hesitating to take any responsibility for the Army on our shoulders immediately. I can understand that, but, with regard to the Navy, the matter is a very different thing. This Bill is going for circulation and I do not mean to keep you any longer. I welcome this Bill. I welcome whatever opportunities my countrymen get to defend themselves, to learn the art of defence. Even if it be one in three, I welcome it knowing very well that, within a very few years, it will be two in three, and in a few more years, it will be three in three. It is bound to come, nothing can stop it. But the longer we delay in taking the one, the longer will be the delay in getting the three. That has been my view both on the Army and on the Air Force.

Now, there is just one more point,—what is the exact difference between the Air Force and the Navy. In the Air Force Bill, it was provided that all the Officers shall be Indians. Of course, you have not got the Indians, but I understand that the Officers will be lent by the Royal Air Force. While, here, in this Navy Bill they will not be lent, but they will be directly recruited in England for this Indian Navy. I think that there is scope for amendment here. Perhaps the Army Secretary will devote a little more attention to this matter and see whether the new Bill cannot be brought more into line with the Air Force Act. I personally think that a great deal can be done in that direction which will satisfy this side of the House and will really make for a number of years no material change. You will borrow from the Royal Navy certain Officers for the Royal Indian Navy, you will not recruit them while Indians you will recruit. It may be impractical: I am not by any means an expert, I am purely an ignoramus on this question. But I see some line of advance in this direction, and I would put it to the Army Secretary, and especially to the public, who are to express an opinion, to express an opinion from that point of view. Sir, I have done.

Major Nawab Ahmad Nawaz Khan (Nominated Non-Official): There are two questions involved in this discussion; one is the motion for reference of the Bill to a Select Committee and the other is the amendment to circulate this Bill for eliciting public opinions. Its usefulness and other questions can be discussed later on. As a rule, I am always in favour of circulation of Bills for public opinion.

An Honourable Member: Don't make this an exception.

Major Nawab Ahmad Nawaz Khan: I oppose amendments for circulation where I see no advantage or usefulness would be achieved by circulation. The Bill is of such a nature that, if we send it for circulation, it will serve no useful purpose. Honourable Members here have to decide whether they should, by a majority, accept or reject the Bill on its merits, and this can be achieved if the Bill is referred to a Select Committee and comes back to this House. So, to save the time of the House, I think it is better if the Bill is referred to a Select Committee, and, when it comes back, Honourable Members will have full time to speak on the merits or demerits of the Bill, and by a majority of the votes the fate of the Bill

can be decided. With these remarks, I support the motion for reference of the Bill to a Select Committee, and oppose the motion for circulation.

Mr. S. G. Jog (Berar Representative): I am very thankful to the Chair for the opportunity that it has given to me. The other Parties have taken part in this debate, and, so far as the Nationalist Party is concerned, as this is a question which we must approach from a nationalist point of view, as a Whip of the Nationalist Party, I must stand and give expression to my views in the matter.

An Honourable Member: What about the Leader?

Mr. S. G. Jog: The Leader will follow. (Laughter.) I look at this question from an entirely different point of view. I look at it as a question which involves a matter of great and far reaching importance. I do not agree with the Army Secretary that it is a Bill of mere formality which can be introduced and passed in one and the same sitting without sending the Bill for public opinion.

The Honourable Member, who just spoke before me, said that, as a rule, in the case of all essential and important Bills, public opinion should be ascertained. But I see no reason why in this particular Bill he should make an exception and ask for going into the Select Committee at once. My friend has not probably understood the implications of the measure before the House and its far reaching effects. Last time, in July, when we met in a Committee, a Committee which was known as the War Pensions Committee, my friend, the Army Secretary, at the close of those discussions, gave out to us that he would soon introduce a Bill, known as the Navy Discipline Bill, and he asked us to carefully consider the question and to give our support if we could to that Bill. I have taken some pains to read the literature on the point. At the same time, the Army Secretary knows that when this Bill was introduced last time, it evoked a lot of criticism and the Bill was thrown out by one vote. I assure him that we in this side of the House will not probably evince the same mentality which the Swarajists evinced in those days and we will carefully examine the Bill and will discuss the Bill on its merits. As Nationalists, if we find that there is an improvement in this Bill and it takes us a stage forward, we will lend our support to it. I find from the statement which the Army Secretary has made that there is certainly an improvement on the old Bill. I should like to look at the Bill from a dispassionate point of view and not go into the old history of the case. There is one charge against the Government so far as this Bill is concerned. Government are probably smarting under the defeat which they had in the year 1928, because, in spite of great efforts, they lost the Bill by one vote. Some people may say that the House is weak. I do not at all think that the House is weak, but Government are open to the charge that they might take advantage of what people think and like to rush through this Bill by making this motion for Select Committee. This is not the time when Government should rush through the Bill, but they should see that it goes for ascertaining public opinion.

The question of the Navy is one of national importance. We Indians must certainly have our own Navy. Not only must we have our own Navy, but our ambition is that we should create our own Navy. It should be a Navy not merely in name, but it should be Indian both in name and

[Mr. S. G. Jog.]

spirit. Since the War, I presume that your angle of vision has undergone a considerable change. We also look at the question from the point of view of national defence. We Indians must have our own Army. We must be able to control our own Army. So also we must have a Navy of our own. We must have a predominance of Indian element. But, after the War, what have you done? I will just express the point of view put forward by my friend, Sir Cowasji Jehangir. We were never consulted. You appointed a Departmental Committee under the chairmanship of Lord Rawlinson, and, without consulting this House or even taking any Non-Official Member into confidence, you came to certain conclusions. You reported the matter to Parliament. Legislation was taken in Parliament. All these things were done without consulting us on the point although the question was of vital and material importance to India's aspirations. You know all these things. You yourself created the child and you are now coming forward for the christening ceremony of the child. We are not here only for the christening ceremony of the child which you have created.

As regards the question of Indianisation, we will have to see whether the big name of Navy which you want to give is a real thing or a sort of toy. We will have to carefully examine what the provisions will be so far as Indianisation is concerned. It is not necessary to go into the history of the question. In that case I will have to take you more than 2,000 years back. We had a Navy of our own then, but times have changed. All those things have gone. We must look at these things from a reorganisation point of view, and India's aspirations must be fulfilled. I have got with me a book which gives a history of the whole case. Every one of us on this side of the House will have to be proud, because the question of the Navy is a question of Empire defence. Whether you wish it or not, willingly or unwillingly, we have become a part of the Empire, and the responsibility for the defence of the Empire rests on us as much as the British elements. We are prepared to shoulder the responsibility and the financial burden, but we must also see that it is a navy which we can call our own. I do not want to tire out the House by reading a long extract, but I will read a small portion from a book which will show you how the question stands. This is a book written by one Hector C. Bywater called "Navies and Nations", in which I am glad to find that India is given a small portion. He says:

"India has for many years past maintained a fleet of armed transports and patrol vessels, constituting the Royal Indian Marine. Besides paying about £350,000 a year for the upkeep of this fleet, which has little or no military value, she contributes £100,000 annually towards the maintenance of an East Indies Squadron of the British Navy. In February 1926, however, an important change in the character of the Indian sea service was foreshadowed in the following terms: 'Subject to the necessary legislation, it has been decided to reconstruct the Royal Indian Marine as a combatant force, to enable India to enter upon the first stage of her naval development, and ultimately to undertake her own naval defence. Subject to His Majesty's approval, the service will be known as the Royal Indian Navy and will fly the White Ensign. (I am told that the White Ensign is flying even now) In addition to the functions hitherto discharged by the Marine, the new Navy is to undertake the training of personnel for service in war and the organisation of naval defences at ports which are under the control of the Indian Government. It is to consist at first of four sloops, two patrol craft, four trawlers, two survey ships, and one depot ship. Indians are eligible for Commissions. (However poor it may be, let us consider it is a good beginning for the present.) In time to come, the Royal Indian Navy may represent no insignificant factor in the defence of the Empire. The geographical position of India herself is such as to invest any local naval force with unusual strategic value. In time of war,

the control of the Indian Ocean would be essential to the safety of Imperial communications, while the defence of India's extensive coast line, with its numerous and wealthy ports, alone would justify the upkeep of an adequate local squadron. Politically, too, the creation of the Royal Indian Navy is a wise move, for as Professor Rushbrook Williams observed in his survey of *India in 1924-25*, 'the national aspirations of the educated classes, as voiced in the Legislative Assembly, are tending steadily towards the formulation of a policy which will secure for India a future upon the seas'."

(Hear, hear.)

That is a very significant paragraph, Sir. It gives us our aspirations. We have rendered you very valuable services during the War, we have justified your confidence in us, we have justified the trust reposed in us, and it is now for you . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must address the Chair.

Mr. S. G. Jog: . . . and it is now for you to take a bold step in the matter, and not to come forward in a miserly fashion, to come forward with a better and a bold scheme which will satisfy the aspirations of my countrymen. Sir, I look forward to this measure which is a move in the right direction, howsoever small it may be. Later on, no doubt it will develop, but, at the same time, I would like to see that public opinion is ascertained in the matter, and, instead of rushing through the Bill, just to avoid the charge which some have detected, let us see what the public opinion in the matter is. With these few observations, I support the motion for circulation.

Mr. G. R. F. Tottenham: Sir, I am gratified that this Bill has met, in principle, with a considerable amount of support from Honourable Members opposite. At the same time I cannot help being somewhat disappointed, personally, that from the speeches of certain Honourable Members there still appears to be an ineradicable suspicion as to our objects and intentions in bringing forward this Bill. Both the Leader of the Opposition and also my friend, Mr. Gava Prasad Singh, could not really believe that we were bringing it forward merely in order to change the name of the Royal Indian Marine into the Royal Indian Navy and for no other purpose. And yet, Sir, I have been asked for explanations, further explanations as to our real reasons for bringing forward this Bill, and I can honestly lay my hand on my heart and say that there are no other reasons, and, therefore, it is impossible for me to give any further explanation. The fact is, as my Honourable friend, Sir Cowasji Jehangir, rightly recognised, the Bill is merely intended to increase the prestige and the status of our force in India; and I maintain that we can do that in the most effective way by altering its title from "Royal Indian Marine" to "Royal Indian Navy". Now, it is perfectly true that the Royal Indian Marine at present is regulated and governed by some sort of code of discipline and it would be possible for us to continue that position. I presume it would also be possible for us to introduce in this House a measure to bring into existence an Indian Navy—a self-contained measure, as the Leader of the Opposition suggested—but the result of that would be that we should not increase the prestige and the status of the force in the same way as we should by this measure. It would not give them that connection with the Royal Navy which is really

[Mr. G. R. F. Tottenham.]

needed to increase the prestige and the status of the force in the way that we desire. That, Sir, is all I have to say on that aspect of the matter.

Then, a great deal was said about the constitutional position—about what was going to happen in the future with regard to the reservation of defence. What was the necessity of rushing this Bill through now; would it not be better to wait and see what the position was going to be, and so on? Well, as I have explained, the Government are in no

4 P.M. hurry about this matter, and I may say at once that I shall be prepared to accept the motion for circulation; but I should just like to say a few words on this point. It seems to me that all the arguments that Honourable Members have produced in favour of delay in this matter, before making up their minds whether to have an Indian Navy or not, might have applied with exactly equal force to the measure that we brought forward some years ago constituting the Indian Air Force. There was then no suspicion in Honourable Members' minds that we were going to use the Indian Air Force for the defence of Singapore, or that we were going to increase expenditure upon it out of all proportion, or that we were going to spend the tax-payer's money without getting their consent. Sir, it is perfectly obvious from what has fallen from various Honourable Members' lips today that these objections from the constitutional point of view and the desire to know what is going to happen in the future have really no very solid foundation. The real objection is that this Indian Navy is not going to be a completely and entirely Indian force. If it was to be an entirely Indian force, I do not think we should have heard one word about these constitutional objections. Sir, I did my best to explain why it was that we had to continue, or why we thought it was necessary to continue, a measure of British recruitment to the Indian Navy for a period of years. I then said that the House would be at liberty to press us in season and out of season for an increase in the measure of Indianisation and that we should give an increase as soon as we were prepared to do so. I should like to expand a little what I said on that subject, especially in view of what my Honourable friend, Mr. James, said when he asked whether that limit of one-third Indians was laid down for all time. Of course that is not so. The limit of 33½ per cent is by no means laid down as a limit which we cannot under any circumstances exceed. The point is that we have, in the past, experienced considerable difficulty in getting recruits. I know my friend, Sir Cowasji Jehangir, can hardly believe that. He says that he has secured a recruit since we broke up for lunch, and he seemed to think that we were not taking proper steps in the matter. I would explain in that connection that the advertisements for the Royal Indian Marine examinations, which are held by the Public Service Commission, are issued in exactly the same way as the advertisements for the examinations for the Indian Civil Service or for the Army. Now, for the Civil Service we do get a very large number of recruits coming forward, and for the Army we get a very large number of recruits coming forward. The examinations for the Marine are held in exactly the same way and under the same arrangements, but for the Marine we simply do not get any appreciable number of people coming forward.

Sir Cowasji Jehangir: What is the age of recruitment?

Mr. G. R. F. Tottenham: About 18 to 20.

Sir Abdur Rahim: Are the conditions of service also advertised at the same time?

Mr. G. R. F. Tottenham: Yes, Sir. The full conditions of service are advertised and all information is available to the public.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Is it not a fact that you occasionally recruit only one person from the whole of India, and the number of vacancies seldom increase beyond two or three, and, then, out of these few seats one is reserved for the "Dufferin" cadets, and that that is the reason that you do not get many applicants?

Mr. G. R. F. Tottenham: It may be that there are a very small number of vacancies, and that may be one reason why people do not come forward. With reference to what my friend, Sir Cowasji Jehangir, has said about recruiting from the "Dufferin", I have made it clear that we should in many ways prefer to accept the "Dufferin" as our source of recruitment to the Royal Indian Marine, were it not for the fact that we had given the public undertaking that there must be an open competition. But in that connection I would point out that it would be impossible for us to take recruits from the "Dufferin" without in some way altering the curriculum of the boys in the "Dufferin". The boys we have taken from the "Dufferin" have had to undergo some special coaching in an army or marine class in order to fit themselves for this examination.

Sir Cowasji Jehangir: Is there any special course necessary before an applicant can sit for this examination? And if that is so, what facilities have been given to secure the necessary knowledge?

Mr. G. R. F. Tottenham: The curriculum for the examination is published, and it is an ordinary curriculum which the educational institutions of the country can provide. It is merely that in the "Dufferin" the boys are trained in a particular way and they are not taught some of the subjects which are required for the Indian Marine. That is all.

Then, Sir, the Leader of the Opposition referred to what I said this morning about consulting the Legislature in the event of lending the Indian Navy for purposes other than the defence of India and he wished, I think, to know what the position was going to be under the new Constitution in that respect. Also my friend, Sir Cowasji Jehangir, referred to what he said was a statement by the Secretary of State. I do not quite know in what connection the statement was made, nor have I been able to trace it.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): I can give the reference if the Honourable Member wants it. It was made at the Session of the Third Round Table Conference. He said that the decision of the Federal Government and the Federal Legislature would be taken on the question of utilising the army for non-Indian defence. He clearly said that some way would be found by which the

[Diwan Bahadur A. Ramaswami Mudaliar.]

decision of the Federal Executive and the Federal Legislature would be taken before the army could be used for purposes other than the Indian defence.

Mr. G. R. F. Tottenham: That is a news to me: I had not seen that.

Diwan Bahadur A. Ramaswami Mudaliar: I will give the actual words of the Secretary of State. He said:

"More difficult questions arose in cases where Indian troops might be employed for purposes other than directly Indian purposes. Now, in those cases I can say to him I would prefer not to be precise as to the exact method. I myself feel sure that a means will be found to leave the decision in some manner to the Federal Ministry and to the Federal Legislature."

Sir Cowasji Jehangir: I may inform the Honourable the Army Secretary that the point was raised as to what would happen if the Legislature was not in Sessions, and the Secretary of State said that in that eventuality the decision might be taken by the Federal Government subject to the subsequent approval of the Legislature.

Mr. G. R. F. Tottenham: I understand, in any case, that this statement by Sir Samuel Hoare was a mere expression of opinion in the course of discussion. He did not actually make a promise that it would be put in the Constitution. I would have some difficulty in understanding how it could be laid down in the Constitution Act that the approval of the Legislature was to be secured to the use of troops in circumstances of this nature so long as the general constitutional position was that the defence services were to be a reserved subject. The two attitudes would seem to be inconsistent with each other.

Sir Cowasji Jehangir: They are not inconsistent. We are talking of troops being used for purposes other than the defence of India. Only in that case would the Federal Government or the Legislature come in. This provision, however, would not apply in all those cases in which the troops were used for the defence of India in India or out of India.

Mr. G. R. F. Tottenham: It is not only defence that is going to be a reserved subject, but also, I understand, foreign relations, which include inter-imperial relations. I do not understand how a decision by the Legislature would be consistent with the reservation of these subjects under the new Constitution. However, I am probably proceeding outside my own province in discussing these matters. All I can say is that the announcement which I made this morning that it was the intention to consult the Legislature, whenever possible, about the use of the Navy for purposes other than the defence of India would naturally be improved to certain extent by the position under the new Constitution. At the present moment, the authority to decide is the Governor General in Council and the authority to be consulted is the Legislature. The Legislature is in Session only for a certain length of time, and it may, therefore, be necessary to take a decision without the advice of the Legislature. In future, the authority to decide will presumably be the Governor General and the authority to

be consulted will presumably be the Federal Government. The Federal Government will always be in existence, and I think my Honourable friend, Sir Cowasji Jehangir, has rather under-estimated the responsiveness of the authorities responsible for defence to Indian opinion in a matter of this kind. I have no doubt that if it was enjoined that the Governor General should in future consult the Federal Ministers in a matter of this kind, he would naturally do so, and, not only would he do so, but he would also be very largely guided by their advice. But I cannot see how it would be possible to lay down in the Constitution Act that the decision in these matters should rest with the elected Legislature of the country, so long as these subjects are reserved, that is to say, are reserved from the control of the Legislature.

Sir Cowasji Jehangir: We could only quote the words of the Secretary of State at the Third Round Table Conference.

Mr. G. R. F. Tottenham: My Honourable friend, Sir Cowasji Jehangir, made several other interesting suggestions as to the possibility of dealing with the Navy as a separate issue apart from the Army. He made the suggestion that naval expenditure might be made votable and subject to the control of the Legislature, while army expenditure need not. I am sure that he will not expect me to give an answer at the present moment. The gist of the whole matter, as I said before, lies in the question whether the Indian Navy is to be a purely Indian force or whether for a limited period it has to be partially British and partially Indian. Although, as I said before, the extent of Indianisation at the present moment is only one-third, there is no reason why that ratio should remain for ever. What I do say is that so long as the Royal Indian Marine remains the Royal Indian Marine, I personally can see very little chance of extending Indianisation simply because the Royal Indian Marine is a force which does not attract young Indians of a suitable type. If the Royal Indian Marine were converted into the Royal Indian Navy, I personally believe that it would attract young Indians of the right class in much greater numbers and I believe we should find it far easier to extend the rate of Indianisation in consequence.

As regards the question of circulation, I have already explained that the Government of India are not in a great hurry about this matter. We cannot pretend that there is any great urgency about it. I do, however, share the doubts expressed by my Honourable friend, Mr. James, as to the usefulness of circulating this Bill for public opinion, because I do not think that the authorities to whom we shall circulate it will really add very much to our knowledge of the subject. Also I cannot accept the suggestion which was made by my Honourable friend, Mr. Gaya Prasad Singh, that this Assembly which was competent, and fully competent, to revise the opinion of its predecessor as to the Reserve Bank is not in a position to revise its opinion about the Indian Navy. However, in view of the feeling that has been expressed in favour of circulation, I shall have no objection to accepting the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st July, 1934."

The motion was adopted.

The Assembly then adjourned till Five of the Clock.

The Assembly re-assembled at Five of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

THE BUDGET FOR 1934-35.

(The Honourable Sir George Schuster, on rising to present the Budget, was greeted with prolonged Cheers.)

The Honourable Sir George Schuster (Finance Member): Once more a year has passed, and it falls to me to give an account of India's financial administration and to present proposals for the coming year.

2. This is the last occasion on which I shall do so and for this reason it seems appropriate to take stock of the course of financial affairs during the past few years and to present the proposals for the current year in relation to a somewhat wider background than usual. I propose to do this not merely because this year marks the last chapter in the story of a particular Finance Member, but also because I have certain proposals to make this year which can only be properly understood in this wider setting.

3. I need hardly take time in describing the painfully well known features of what has happened to the world since the end of 1929, when we entered into the severest period of economic disturbance and depression which our modern system has experienced, and during which all countries have been faced with almost insoluble difficulties and tasks of readjustment as regards their public finance. I will only deal briefly with a few salient facts. As a measure of India's difficulties I may remind the House that whereas in the 10 years ending March 31, 1930, the value of India's exports and re-exports of merchandise averaged just under 326 crores, in 1930-31 that fell to just under 226 crores, in 1931-32 to about 160 crores, and in 1932-33 to 135½. Imports of merchandise though they did not fall quite in the same proportion as exports, owing to the well known fact that private gold exports gave India a supplementary purchasing power, nevertheless fell very steeply from an average of 242 crores for the ten years ending March 31, 1930 to 163 crores in 1930-31, 125 crores in 1931-32, and 132 crores in 1932-33. In view of the extent to which we rely on customs import duties for revenue, the effects of this enormous drop must be obvious. At the same time our other main source of tax revenue—income tax—was heavily cut into. I may give one simple index of this fall. Taking the head of income assessable as "profits", the annual profits of companies and registered firms in India which averaged over 53 crores in the eight years ending March 31, 1930 fell to under 29 crores in 1932-33. Simultaneously with this crumbling of the foundations of our tax revenue, there has been a heavy drop in non-tax revenue; and I would invite the attention of those interested in this matter to the analytical tables published at the beginning of the Finance Secretary's Memorandum. Non-tax revenue, which in 1923-24 was Rs. 30½ crores, had fallen in 1929-30 to Rs. 19½ crores and for 1934-35 is down to Rs. 5½ crores. This has of course put a heavy strain on tax revenue. Lastly, we have had at the same time to face serious losses of customs import duties for reasons other than the economic depression, namely, as a result of the operation of protective policies, especially as regards cotton piece-goods and sugar.

4. The story of how these developments were reflected in India's public finances has been told from year to year in my budget speeches. At the outset

revenue was falling away too rapidly for us to keep pace with the situation, and in 1930-31 and 1931-32 we incurred deficits which were larger than the amount set aside each year for the reduction of debt. In the middle of the latter year, however, we took drastic emergency measures by way of retrenchment, cuts in pay, and taxation, the objective of which was that the position should be so restored by March 31, 1933 as not only to produce equilibrium for the future, but to create a soundly balanced position for the two years 1931-32 and 1932-33 combined. These steps, as I recorded in my budget speech last year, fully succeeded in their object, and I may briefly remind the House of the figures as now shown in the final accounts.

The actual result for 1932-33 is that after providing 6,84 lakhs for Reduction of Debt there was a surplus of 1,55 lakhs, so that without taking into account Reduction of Debt the excess of receipts over outgoings was 8,39 lakhs. As in 1931-32 the corresponding figure had been a deficiency of 4,86 lakhs, the net result is that over the two years combined we not only paid our way so far as budgetary income and expenditure is concerned, but in addition provided a sum of 3,53 lakhs for Reduction of Debt.

5. *Current year, 1933-34.*—How then are we faring in the current year? Our revised estimates show that, leaving out of account the Reduction of Debt provision, we shall have a surplus of 4,29 lakhs. In the budget estimates we had hoped for a surplus of 25 lakhs after providing 6,88 lakhs for Reduction of Debt, so that the net result is 2,84 lakhs less favourable than our estimates. This deterioration is accounted for by a drop of 5,04 lakhs on revenue, partly balanced by a saving of 2,20 lakhs on expenditure. The full figures are as follows:

	Budget, 1933-34.	Revised, 1933-34.
Total Revenue	124,35	119,31
Expenditure (exclusive of Reduction of Debt)	117,22	115,02
Balance	+7,13	+4,29
Provision for Reduction of Debt	6,88	
Final balance	+25	

6. The explanation of the falling off of revenue is simple, and in some respects not so unsatisfactory as the figures themselves would appear to indicate. The chief differences which I need deal with in this general account are a deficiency on the estimates of 4,38 lakhs under Customs and 93 lakhs under Income Tax. As regards Customs, last year I made it quite clear that it was impossible in the entirely abnormal conditions then prevailing to find any reliable basis for forecasting customs receipts, and I therefore framed my estimates on the assumption that the conditions of the previous year as regards exports and imports of merchandise would be repeated, subject to allowance of a drop of about 1 crore in import duties to cover decreases in sugar import duty due to the growth of Indian production and in the cotton piece-goods duty where the figures for 1932-33 had to be regarded as abnormal. The results have proved that we did not allow enough for these changes. The effects of the development of the sugar industry in India have been felt more rapidly than we anticipated, and we now expect to be 1,10 lakhs short of our estimates on sugar while as regards cotton piece-goods and other textiles it is now clear that the receipts for 1932-33 were entirely abnormal, and we estimate that the duties on the whole range of textile

[Sir George Schuster.]

fabrics and yarn will be 2,67 lakhs less than the budget estimate and 3,63 lakhs less than the actuals for 1932-33.*

Apart from the shortfall under these two heads, which account for the greater part of the drop, there has been a slight falling off under a number of other heads.

There is some consolation to be drawn from these results. The falling off in imports of sugar and textiles at least means that Indian producers have had a greater share in the home market, while as regards the general falling off in imports this has been balanced by a substantial increase in exports and a satisfactory feature is that as a result of these changes India is moving back towards her normal favourable balance of trade in merchandise and is thus diminishing her reliance on gold exports in order to maintain an even keel. The position in this respect is interesting and significant. Last year in the 9 months to December exports of merchandise (including re-exports) amounted to 99 crores and imports of merchandise to 102 crores, thus showing an adverse balance of 3 crores. For the same period this year exports have been 111 crores and imports 85 crores thus showing a favourable balance of 26 crores, and an increase in exports of 12 crores combined with a decline in imports of 17 crores.

7. Turning to the other decreases in revenue, I have mentioned income tax where we expect to fall short of our estimates by 93 lakhs, and all one can say about this is that it is unhappily an illustration of the depth of the general depression.

8. As to the other heads of revenue, I need not comment at length. Net receipts from Opium are up by 24 lakhs (gross 39) owing to exports of provision opium being larger than anticipated.

* The course of revenue receipts over the last few years under this important head is interesting as brought out in the following summary:

Summary of receipts from Customs import duties on textile fabrics and yarn.
(In lakhs of rupees.)

Number of article in Customs Revenue Statement.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	Budget, 1933-34.	Revised, 1933-34.	Budget, 1934-35.
16 Artificial silk yarn and thread.	10	7	7	11	17	20	14	16
17 Cotton yarn and thread.	46	45	30	37	55	48	40	45
17A Artificial silk piece-goods (other than tents).	...	...	...	...	...	90	70	70
18 Silk and artificial silk mixtures.	8	8	5	18	48	45	42	42
20 Yarn and textile fabrics not liable to preferential rates of duty.	1,75	1,59	99	1,11	1,36	95	75	1,00
32 Silk piece-goods and manufactures of silk and artificial silk not otherwise specified.	88	79	50	1,07	2,55	1,60	1,20	1,20
42-45 Cotton piece-goods.	6,04	5,84	3,73	3,71	6,58	6,10	4,40	4,25
Total of all the above items.	9,31	8,82	5,64	6,55	11,64	10,68	8,01	8,17
53 Haberdashery and millinery.	...	...	...	...	...	25	15	15
GRAND TOTAL.	...	...	...	...	...	10,93	8,16	8,32

Interest and Currency and Mint receipts are down by 23 lakhs and 51 lakhs respectively due to the lower rates of interest prevailing—the latter of course being balanced by a reduction in interest paid. As against this we have had a windfall under the head of Extraordinary Receipts of 33 lakhs due to the repayment of a pre-war debt by the Persian Government.

The position as regards revenue may be summarised as follows:

Summary of main differences between Revised Estimates, 1933-34 and Budget Estimates.

	+ Better, — Worse.
Customs	.. 4,38
Taxes on Income	.. 93
Salt	.. 20
Opium receipts (gross)	39 ..
Interest receipts	.. 23
Currency and Mint receipts	.. 51
Other heads	82 ..
	1,21 6,25
	—5,04

9. *Expenditure, 1933-34.*—As regards expenditure, I need not say much at this stage. The saving over our budget estimates of 2,20 lakhs is due mainly to two causes, first the receipt of 1,78 lakhs on account of the payments from His Majesty's Government towards the Defence budget following the Capitulation Tribunal award, and secondly the non-payment of 88 lakhs interest on war debt for which we had provided in the budget.

10. I shall have more to say on the significance of those various changes at a later stage. For the moment, before I come to my proposals for next year, I want to turn to a review of the effects of our policy during the past three years, that is to say, since the real crisis began.

As to the budgetary position, the figures which I have already given amount to this, that during these three years we shall have met all our current expenditure out of revenue and realised a total surplus balance of nearly Rs. 8 crores which had gone to swell our balances and reduce our debt (3,53 lakhs on 1931-32 and 1932-33 combined and 4,29 lakhs in 1933-34).

The figures may be conveniently summarised as follows:

	Rs. Crores.		
	1931-32.	1932-33.	1933-34 (Revised Estimate.)
Revenue	121.64	126.40	119.31
Expenditure (exclusive of Debt Reduction provision)	126.50	118.01	115.02
Balance	—4.86	+8.39	+4.29

[Sir George Schuster.]

11. This soundness in our budgetary policy has enabled us to effect a striking improvement in our general position. When the crisis of September 1931 came upon us we were in a very vulnerable condition for two reasons, first, our external currency reserves were unduly low, and secondly, we had a dangerous load of floating and short term debt hanging over us. As to currency reserves, the gold and sterling securities (and I shall take gold at the old parity throughout this comparison) in the Paper Currency and Gold Standard Reserves amounted on September 21, 1931 to 57·82 crores against a note issue of 146 crores, or a proportion of 40 per cent. On March 31, 1934, we estimate that the position will be gold and sterling securities 106 crores, note issue 178 crores, percentage 60 per cent. There has thus been an increase in the value of our external reserves since the crisis began of 48·17 crores (leaving out of account the potential profit on gold which at present amounts to a hidden reserve of 27 crores).

12. Now let us consider the floating and short term debt position. At the end of September, 1931, our total debt maturing within five years was :

	Crores.
	Rs.
(i) Rupee Treasury Bills (with the public and in the Paper Currency Reserve)	80·78
(ii) Rupee Loans	165·77
(iii) Sterling Loans	90·00
Total Rs.	336·55

of which there was due to mature in 12 months

	Crores.
	Rs.
(i) above	80·78
out of (iii) above	20·00
Total Rs.	100·78

As compared with this the position on March 31, 1934, will be as follows :

	Crores.
	Rs.
(i) Rupee Treasury Bills (with the public and in the Paper Currency Reserve)	47·75
(ii) Rupee Loans	79·21
(iii) Sterling Loans	39·00
Total Rs.	165·96

of which there will be due to mature within twelve months :

(i) above	47·75
(ii) above	13·00
Total Rs.	60·75

The net result is that the near maturities will have been reduced by 170·59 crores, out of which immediate liabilities will have been reduced by 40 crores.

13. In order to complete the picture as regards debt and our capital position generally and to bring out the improvement which has been effected in the last three years, it is also necessary to consider the reduction of interest charges.

The position in this respect is complicated and it is difficult to give a simple comparison to show the effects of our recent conversion operations and the improvement of our credit, for there are various complicating factors to take into account. There is the actual direct saving of interest on conversion operations, the effects of which are not fully revealed in our own budget because our policy is to give a proportionate part of the benefit to the Railways, the Provincial Governments, etc., on whose behalf we have raised our loans.

Then of course there is a substantial saving due not to loan conversion operations in the strict sense, but to the cheaper rates for Treasury Bills which have been produced by our policy. As against this some of the very changes which have made our position stronger, the funding of floating debt and the increasing of Treasury balances and sterling currency reserves, actually cost us money in increased interest charges or loss of interest receipts, for naturally we have to pay higher rates on permanent loans than on Treasury Bills, while we cannot earn the same rate on balances held in London as we have to pay on Treasury Bills in India.

Again, as a factor which has offset some of the benefit gained, there is an automatic increase in the rates debitable to the budget on Post Office Cash Certificates next year to which I will refer again.

Lastly, I must mention that in comparing one year with another just now one must take into account the war debt payments. It so happens however that in the comparison which I am about to make between 1931-32 and 1934-35 the provision for war loan payments was almost exactly the same (56 lakhs in 1931-32 and 58 lakhs in 1934-35).

Subject to these remarks I can give the following figures, indicating the improvement effected since 1931-32 :

	Crores.
	Rs.
The net interest charges in the Central Budget in 1931-32 were	12·83
for 1934-35 we estimate them at	10·34
so that there is a direct saving of	2·49
In addition to this we have given a saving on interest to the Railways as a result of our lower borrowing rates of	1·36
to the Provinces of	·34
and to the Posts and Telegraphs Department of	·03
Total	4·22

The total saving, therefore, to the Central Government, the Railways, Posts and Telegraphs and Provinces is 4·22 lakhs. But in order to complete the comparison we must also take into account the cost of strengthening our

[Sir George Schuster.]

position by funding floating debt and holding larger balances. I estimate that if we reverted to the 1931 position as regards balances and amount of debt represented by Treasury Bills, we should now have to pay 99 lakhs per annum less than we are actually allowing for.

It is fair then to say that the results of our loan policy during the last three years represents a net improvement all round of about 5½ crores per annum.

14. I have given the foregoing review of the position as regards the public debt, credit and currency reserves for a special reason, and I will mention this at once, for it is necessary to do so at this stage in my speech in order to explain how we propose to deal with the current year's accounts, and what is our plan for next year. We have come to the conclusion after weighing most carefully all the issues, that we have so strengthened our general financial position that in these times of special difficulty it is not necessary to strain the tax revenue in order to maintain our provision for Reduction and Avoidance of Debt at the full level fixed by the present convention. I would remind Honourable Members that this convention was settled in 1924 and laid down that in respect of all debt incurred up to March 31, 1923, a fixed sum of Rs. 4 crores should be set aside, and that on all debt incurred thereafter (other than debt for advances to the Provinces which make their own provision for repayment) a sum of 1½ per cent. should be provided. This scheme has meant that the budgetary provision for reduction of debt has increased from 3.78 lakhs in 1924-25 to 6.89 lakhs in the current year. Now although the provision has automatically grown to this onerous degree since 1929 the actual debt position has become sounder and the net burden lighter. While gross figures of the Government's indebtedness have increased, the value of the productive assets held against that debt have increased by more than the same amount. On March 31, 1924, the total indebtedness of the Government of India was 919 crores, on March 31, 1934, the corresponding figure will be about 1,212 crores, an increase of 293 crores. But in the same period the interest-bearing assets of the Government will have increased by 314 crores, namely, from 664 to 978. And at the same time the net annual burden of interest has been substantially reduced. In the year 1924-25 the net charge to the budget for Interest on Debt (that is to say, interest paid less interest received) was just under 15 crores, while for next year the net charge will be less than 10½ crores. It is necessary to explain these facts in order that the position may be fully appreciated. The burden of the debt reduction provision has become especially heavy in recent years for the following reasons. The main portion of our debt represents advances to the Railways. So long as the Railways were paying to the Government a general contribution over and above the interest due from them, that represented something which could be fairly set off against the debt reduction provision. But when the Government is receiving no contribution, and when at the same time the Railways are, through their depreciation fund, maintaining their capital assets at their full value, one must ask whether it is reasonable or even advantageous to make the attempt to raise tax revenue sufficient to meet the full provision.

15. It is impossible for me in a speech which has to cover so many matters to deal fully with all the considerations which are relevant to a discussion of these questions. The practical point which will interest the House is that we have come to the conclusion that it will be adequate if for the present we maintain our annual provision for the Reduction and Avoidance of Debt at 3 crores. I deliberately avoid any commitment as to what the permanent basis for the future should be, or for how long this proposed provisional arrangement should continue. There are a number of possible ways in which

the situation can be treated. For example, it might be provided that advances made to the Railways and Commercial Departments of the Government of India should always be made on terms which cover not only the interest charges which the Government of India itself has to incur, but also a proper provision for amortisation. That is the arrangement which we already have with loans to the Provincial Governments and to the Indian States. If that were done the present scheme for a Railway contribution might be taken into account as covering the amortisation of Railway debt. If the matter is looked at in this way and the amortisation of Railway debt is regarded as suspended until there is some recovery from the present abnormal depression, it will I think be generally recognised that a provision of 3 crores annually against the uncovered debt of the Government of India which amounts only to about 200 crores is a very substantial sum. We propose that the change which I have described should apply to the current year 1933-34 as well as to next year 1934-35. This means that after providing 3 crores for Debt Reduction, the accounts for 1933-34 will, on our present estimates, close with a surplus of Rs. 1.29 lakhs. This sum we propose to set aside as a special fund to cover relief measures in respect of earthquake damage as to which I shall have more to say later.

16. *Next year, 1934-35.*—I must now turn to the prospects for 1934-35. Estimation of revenue, and especially customs revenue, is again very difficult because entirely abnormal conditions still continue. As a preface to my estimates I must say a few words about the conditions affecting agriculture which of course represent the most important factor influencing India's financial position. I cannot deal with them at length, but I shall circulate with the budget papers, or shortly after, a note on the agricultural position and a review by the Director-General of Commercial Intelligence and Statistics on India's Foreign trade. These will I hope furnish a useful background to my account of the financial position. Speaking quite generally one may say that on the whole (with certain local exceptions owing either to excessive rain or recently to frost) agricultural conditions have been favourable and crop yields satisfactory. Recently there has come upon one part of India a special disaster, in the earthquake in Bihar, but although this has had local consequences of a terrible nature, it will not appreciably affect the economic position of India as a whole. In the agricultural season which is now current or just completed there have been marked increases in the production of India's main money crops—jute, cotton, oilseeds, and sugarcane—and, so far as export crops are concerned, the increased quantities seem to be finding a market.

In all these respects therefore conditions have been such as warrant normal prosperity, and the only trouble has been the low level of prices. Here there is at least a sign of improvement in that the disparity between the prices of primary agricultural products and of manufactured goods has during 1933 got definitely smaller,* while since the beginning of 1934 there has been a tendency towards rising prices and improved demand, notably in cotton. One therefore feels justified on all this evidence in entertaining some expectation of slightly better times next year. In confirmation of this there is on the whole a more optimistic feeling in the main business centres than was the case last year, while the recent steady increase in the goods traffic receipts on the railways and the improvement in our export trade figures to which I have already referred are encouraging signs.

* Taking the Calcutta wholesale price index numbers, and comparing the figures for December 1933 with December 1932, there has been a rise of 5.8 per cent. in the index figure for exported articles and a drop of 2.6 per cent. for imported articles.

[Sir George Schuster.]

On the whole we feel justified in anticipating a very moderate recovery in certain heads of customs import duties over the revised figures for the current year, while we have also allowed for an improvement of 20 lakhs in the jute export duty. We have also to take into account that the immediate effect of the proposals contained in the Textile Tariff Bill introduced this session by my honourable colleague, Sir Joseph Bhore, will probably be an increase in receipts, and that a similar result will follow from his Tariff Bill introduced at the end of last session, the purpose of which was to alter a number of *ad valorem* to specific rates of duty.

17. On the other hand there are certain important items in regard to which special factors will be operative and will produce a loss of customs revenue.

Sugar.—The most important single item is sugar, in the case of which the very rapid development of local manufacture, to which I have already referred and to which I shall refer again, seems to be leading towards the early extermination of imports on a substantial scale. Indeed it is no exaggeration to say that the success of our protective policy for sugar is the main cause of our budgetary difficulties. In 1930-31 we raised over 10½ crores from sugar. Even in 1932-33 we got nearly 7 crores. In the current year we budgeted for 6.10 lakhs and we actually expect to receive no more than 5.00 lakhs, while for next year we cannot count on more than 2.05 lakhs. Indeed we should normally only have allowed for 1.80 lakhs next year (or an import of about 100,000 tons) but as a result of the earthquake in Bihar the operation of seven factories may be altogether stopped or seriously curtailed and on this account we have increased our estimate of imports. Even so this item accounts for a loss of 2.95 lakhs as compared with the revised estimates for 1933-34 and of 4.05 lakhs as compared with the budget estimate.

Land Customs.—Closely connected with this is the item of Land Customs which has hitherto mainly represented duty on sugar imports over the Viramgam line. In this case our revised estimate for 1933-34 at 1 crore is 30 lakhs higher than the budget, the increase being mainly due to the receipt of a large payment of arrears. For next year we are only budgeting for 35 lakhs owing to declining sugar imports so that under this head there is a loss of 65 lakhs as compared with the revised estimate for 1933-34.

Machinery.—Then we must be prepared for a substantial drop in the machinery import duty. We expect to get 1.32 lakhs from this in the current year, or 17 lakhs more than our budget estimate; but these high receipts are due to the exceptionally large imports of sugar machinery. We cannot count on their continuance and we have reduced next year's estimate to 1 crore which means a drop of 32 lakhs on the revised estimates of the current year.

Cigarettes.—Another item which I will select for special mention, because I have some proposals to make about it later, is manufactured tobacco. Here the operation of our duties as a result of recent changes and surcharges has given a protective stimulus to the local manufacture of a class of cigarette which was hitherto imported. We budgeted for 50 lakhs in the current year, but on our revised estimates expect to get only 28 and on this we have to allow for a further loss of 8 lakhs next year unless a change is made.

18. The special items which I have selected for mention account for a loss in import duties next year of 4.00 lakhs as compared with the revised estimates for the current year. On all the other customs items combined we are budgeting for a net increase of 1.75 lakhs, so that the net deterioration under customs as compared with the revised estimates for the current year is 2.25 lakhs.

19. The following is a summary of the changes in our estimates including those specially mentioned above:

	Budget, 1933-34.	Revised, 1933-34.	Budget, 1934-35.
Tobacco-manufactured	50	28	20
Cotton, raw	62	35	45
Silver	25	1	1
Artificial silk piece-goods	90	70	70
Machinery	1.15	1.32	1.00
Articles of food and drink	56	36	40
Yarn and textile fabrics not liable to preferential rates of duty	95	75	1.00
All other articles wholly or mainly manufactured not liable to preferential rates of duty	1.80	1.32	1.42
Miscellaneous	34	55	55
Silk piece-goods and manufactures of silk or artificial silk not otherwise specified	1.60	1.20	1.20
Iron and Steel	1.10	85	70
Sugar	6.10	5.00	2.05
Cotton piece-goods	6.10	4.40	4.25
Metals other than iron and steel	90	62	62
All other articles wholly or mainly manufactured liable to preferential rates of duty	2.35	2.08	2.20
Other articles	89	1.15	1.20
Export duty on Jute	3.00	3.60	3.80
Land Customs	70	1.00	35
Import and Excise duty on motor spirit	4.30	4.75	4.80
Do. kerosene	4.20	4.05	4.20
All other items	14.22	13.97	14.92
	52.53	48.31	46.02
Refunds	1.28	1.44	1.40
Net	51.25	46.87	44.62

[Sir George Schuster.]

OTHER HEADS OF REVENUE.

20. The changes in other heads of Revenue do not call for any detailed comment. We are allowing for a slight recovery of 12 lakhs in Taxes on Income to a total of 17½ crores, and we should have put this 25 lakhs higher if it had not been for the losses which must be anticipated from the earthquake. We are also allowing for an increase of 18 lakhs on salt and for a drop in the gross receipts from Opium of 64 lakhs. The declining revenue from the latter item owing to the policy adopted in 1925 has been another cause of budgetary difficulties. Altogether the total drop to be allowed for in Revenue as compared with the Revised estimates for the current year is 2,74 lakhs, which is more than accounted for by the loss on sugar.

EXPENDITURE.

21. So far as concerns expenditure, we are still searching for further economies, and have rigidly maintained our rule that no new item of expenditure shall be admitted unless it is absolutely obligatory or unless it is likely to be economically productive. We have also, as I have already announced, decided that the 5 per cent. cut in pay ought to be retained for another year. As a result there is a very satisfactory reduction of 2,12 lakhs in the Budget provision for next year as compared with the Budget for the current year, and of 2,90 lakhs as compared with the actuals for last year (1932-33) for, while expenditure on Civil Administration has been kept practically unchanged in spite of the normal increments in pay, there is a substantial saving on interest charges due to conversion schemes and the improvement in Government credit, while the military contribution from His Majesty's Government means a big reduction in the Army Budget.

The last mentioned reduction was effective in the current year also, and is therefore not reflected in a comparison between the Revised estimate for 1933-34 and the Budget estimate for 1934-35. The latter shows expenditure kept at almost exactly the same level as the present, but in appreciating the significance of this result it must be borne in mind that the Revised estimate for 1933-34 includes no provision for war debt interest, while we are providing 58 lakhs for this in the 1934-35 Budget. There are also other factors under the head of interest payments which unfavourably affect next year's Budget of which I must give fuller explanation. In the meanwhile the very satisfactory trend of reduction in expenditure over the past years is brought out in the following figures (which are as usual explained in greater detail in the Finance Secretary's memorandum).

Expenditure.	1930-31	1931-32	1932-33	1933-34	1933-34	1934-35
	Actual.	Actual.	Actual.	Budget.	Revised.	Budget.
Gross	1,30,03	1,26,50	1,18,00	1,17,22	1,15,02	1,15,10
Net	93,20	88,78	80,59	79,21	76,59	76,61
(i.e., taking net figures for Interest and Defence).						

22. The following items call for special comment :

(a) *Civil Administration*.—Taking the main administrative heads of Civil Administration, Civil Works and 'Other direct demands' which last item covers the cost of the Tax collecting departments (other than Opium), there is a net decrease in expenditure as compared with the estimates of the current year of 3 lakhs in spite of the fact that the normal increments of pay account

for about 12 lakhs, and that certain special new items have had to be included, (amounting to about 7 lakhs), such as increased expenditure in connection with Civil Aviation (1½ lakhs), improvement of Broadcasting Service (1 lakh), additional grant to Imperial Council of Agricultural Research (1 lakh).

(b) Defence (Net)—

	Crores.
Budget, 1933-34	46.20
Revised, 1933-34.	44.42
Budget, 1934-35	44.38

The demand under the Defence head stands for next year at 44.38 crores. This is 4 lakhs less than the Revised estimates for the current year and 1,82 lakhs better than the Budget estimate. The latter big reduction is of course due to the payment now made by His Majesty's Government as a result of the finding of the Capitulation Tribunal, to which I have already referred. The House is fully informed as to the facts in this case, and I need not add further explanations, but I wish to take this occasion to review the course of military expenditure during the period of my office as Finance Member. The salient fact is that the total demand has been reduced by no less than 10.72 crores, from 55.10 crores in 1929-30 to the present figure of 44.38 crores. This is a remarkable reduction and I venture to think that if I had prophesied its achievement in 1929, my prophecy would have been greeted either with incredulity or, among those who gave credence to it, with extreme satisfaction. In the debates at that time the great demand was always that we should get Defence expenditure down to the so-called Inchcape figure of 50 crores. Yet now we are nearly six crores below that.

In 1929 we were working under the plan which was known as a Contract Budget for the Defence Estimates. I may remind the Hon'ble Members of the circumstances in which that plan was started. In 1927-28 the Government of India had to face the fact that owing largely to the Inchcape retrenchments the equipment of the Defence Forces had fallen, and was continuing to fall, below modern standards, and that an outlay of 10 crores in the next few years was required to put matters right. On the other hand the financial situation was such that an increase of the Defence budget could not be contemplated. The remedy adopted was to stabilise the budget figure for four years at the existing level of 55.1 crores and to allow the Army authorities to retain and apply towards the re-equipment programme any savings which they could effect—either the automatic savings which were then in sight as a result of a decision of His Majesty's Government in 1925 to reduce the pay of British soldiers for new recruits, or savings from a special economy campaign which they then undertook to launch. They were in short to have a total allotment of 220.4 crores over four years and were expected to find 10 crores out of that for re-equipment. The deterioration in the financial position as a result of the economic depression which began at the end of 1929 soon however made it necessary to reduce the contract grant. The full amount was provided for two years only and then in 1930-31 it was reduced to 54.30 crores and in 1931-32 to 51.76 crores. On top of these reductions came the Retrenchment campaign and in the next two years the grant came down first to 46.74 crores and then to 46.20 crores. The net result is that in the four years destined for the original contract, the sum allotted fell short of the original plan by about 4 crores, while since then the grant has been reduced to the bare level

[Sir George Schuster.]

of standing charges. Nevertheless the greater part of the re-equipment programme has been accomplished with the result that the sum required to complete the programme now amounts only to just over 2 crores.

In addition to this I must mention that in each of the past four years substantial expenditure amounting in all to over 2 crores has had to be met on unforeseen military operations on the Frontier or in aid of the Civil Power. The most notable items are the Khajuri operations in 1930-31, the suppression of the Burma rebellion in 1931-32, the establishment of the additional garrison in Bengal in 1932-33 and the Mohmand-Bajaur operations in 1933-34. Such expenditure was of course not provided for in a budget framed to meet only standing charges and ordinarily it would have had to be met by supplementary grants from general revenues. It so happened, however, that in each of these years there were unforeseen savings, notably those due to the continued low level of prices, to balance this unforeseen expenditure, and with this help His Excellency the Commander-in-Chief was able to meet the whole of this expenditure without any supplementary grant.

I have said that the Defence budget for 1934-35 is no less than 10½ crores below the expenditure of 1928-29. Towards this result certain factors have contributed, which are, wholly or partially, outside the control of the military authorities in India. Thus in round figures, one crore of the reduction is due to the fall in prices, one crore to the effects of the 1925 revision of pay of British soldiers, two crores to the recent contribution by His Majesty's Government towards Indian Defence expenditure and half a crore to the general emergency pay cut. But after allowance has been made for these factors there remains to the credit of the military authorities a solid reduction of over 6 crores. This has been secured partly by the postponement of the re-equipment and building programme, partly by reduction of stocks of stores and partly by real permanent retrenchments and economies.

I take this opportunity of repeating once more my grateful appreciation of the manner in which His Excellency the Commander-in-Chief and all ranks of the Defence Forces have come to the aid of Government in meeting the financial emergency. While doing this it is also fair that I should make it clear that the position of the army authorities is that the budget figure of 44.38 crores cannot be regarded as representing as yet a new permanent level of Defence expenditure, but is an emergency budget which barely covers the obligatory charges of maintenance. They point out that if the general price level should rise, Defence expenditure will automatically rise as it has automatically fallen; that the restoration of the emergency pay cut, when it comes, will mean a further increase; that the curtailment of building and other programmes means the accumulation of commitments which cannot be postponed indefinitely; that current expenditure on stores must rise when retrenchment surpluses have been eaten down; and that during the next few years there will be inevitable extra expenditure on duplicate establishments in the earlier stages of Indianisation. Further possibilities of economies are still being urgently sought for, but the Army authorities have made it clear that such possibilities of savings as they now have in view will not go far to meet the possible increases to which I have referred. These are difficulties which must be appreciated. His Excellency the Commander-in-Chief has undertaken that he will not relax his search for economies, and I am confident that my successor will be able to count on receiving, as I have always done, the fullest possible support in meeting any situation that may arise.

(c) *Interest on Debt—*

Summary of position—

	Lakhs.
Interest on Ordinary Debt—	
Budget, 1933-34	1,16.06
Revised, 1933-34	—27
Budget, 1934-35	—98
Interest on Other Obligations—	
Budget, 1933-34	9,62.73
Revised, 1933-34	9,66.25
Budget, 1934-35	10,34.53

The next item on which I wish to say something is Interest on Debt. As Honourable Members who study our budget papers know, interest is divided into two separate heads—"Interest on Ordinary Debt" and "Interest on Other Obligations," the former covering our ordinary securities and Treasury bills, and the latter amounts held on account of Post Office Cash Certificates, Post Office Savings Bank accounts, Provident Fund balances, and balances held for the Provinces, and on account of Depreciation and Reserve Funds of the Commercial Departments.

Interest on Ordinary Debt.—It is a notable fact that the net figure for 1934-35 under Interest on Ordinary Debt is less than nothing—in fact a surplus balance of about 1 lakh. This is a reduction of 1,17 lakhs on the budget for 1933-34, though it is actually about the same as for the revised estimates. The comparison is complicated by the position as regards war debt payments. In the budget for 1933-34 we provided 88 lakhs against this liability, but as no payment was made this amount was saved, and, as I have already explained, is the main reason for the saving on the revised estimates. As regards 1934-35, His Majesty's Government has already agreed to the postponement of the instalment due in June 1934, but we have made provision for the second half year's instalment, and we have also assumed that the outstanding arrears, excluding the amount in suspense, will be capitalised and the total discharged by equated payments ending 1952 to cover principal and interest. On this basis we are making provision for 58 lakhs in the 1934-35 budget. Excluding these War Debt provisions the comparison between 1933-34 and 1934-35 works out as follows:

1933-34 Budget	28 lakhs.
1933-34 Revised	Nil.
1934-35 Budget	—59 lakhs (i.e., net surplus).

There is thus really an improvement of 87 lakhs on the budget for 1933-34 and of 59 lakhs on the Revised.

Interest on Other Obligations.—Under Interest on Other Obligations there is an increase in the budget provision for 1934-35 of 72 lakhs over the budget for 1933-34 and 68 lakhs over the Revised estimate. This is accounted for by an extra charge of 50 lakhs in respect of bonus on Post Office Cash Certificates, while the balance represents mainly interest on the increased amount of Post Office Savings Bank deposits.

The position as regards bonus on Post Office Cash certificates requires some explanation. I may remind the House that until 1930 the budgetary provision made had only covered the bonus paid out on the certificates actually encashed each year. This of course was totally inadequate to cover the accruing liability, especially as a substantial portion of the certificates

[Sir George Schuster.]

was being renewed on maturity and not encashed. As a result of this practice a heavy liability which ought to have been met out of the annual budgets had accrued and, as I said in my budget speech in 1930, represented an addition to the public debt. In spite of the budgetary stringency which had already made itself felt in 1930, we decided that the practice ought not to continue and we introduced a new practice of providing each year for the actually accruing liability. As a result a fund of 2,59 lakhs has been built up since 1930 against bonuses which have accrued and not been paid, though of course this does not cover the arrears which had accrued before 1930. The provision introduced in 1930 represents a recognition of the accruing liability, but, as according to the terms on which most of the series of certificates were issued, the rate of interest mounts rather steeply in the later years of the currency of the certificates, it may happen that when a particular series is approaching maturity the budgetary provision has to be increased irrespective of the amount of debt outstanding. This feature affects our provision for next year, for although the mean amount outstanding for next year is only put at 6½ crores above that for the current year, the provision for bonuses has had to be increased by 50 lakhs. We have recently revised the terms of issue for these certificates and provided for a lower rate of interest. The benefit of this will be felt some years hence, but in the next year or two the allowance for bonuses will represent an increasing percentage on the amounts outstanding. We have recently been considering a scheme for tackling the whole question and rearranging the position so as to guard against heavy liabilities in respect of the arrears accumulated before 1930 falling upon a particular budget in the future.

Another important item going to make up the total of the liability under the head of Interest on Other Obligations is interest on provident funds. Our present arrangement for fixing the rate of interest in this case is to take the average rate paid by Government on its loans raised during the preceding 5 years. The result is that for next year the rate payable is 5½ per cent, because it is still largely affected by the high borrowing rates of two or three years ago. The benefit of the lower rates now prevailing will be gradually felt from now onwards, so that there is a prospect here in future years of quite a substantial saving accruing to the budget.

In fact both under this head and under the head of Post Office Cash Certificates the benefit of the recent improvement in our credit will be deferred till future years. In the meanwhile, however, for the reasons explained, we have to face increases.

I might sum up the result by saying that as regards Interest charges, including both Interest on Ordinary Debt and Interest on Other Obligations, we have to provide next year 45 lakhs less than was allowed for in the budget of 1933-34, but 68 lakhs more than we are allowing in the revised estimates, and that as against the latter increase we are providing 58 lakhs more on War Debt and 50 lakhs more on Post Office Cash Certificates.

(d) *Pensions*.—The only other item of direct expenditure in regard to which I must mention a change in the budget as compared, with the revised estimates is an increased charge of 11 lakhs on Pensions.

(e) *Commercial Departments*.—I need not refer specially to the Railway results for these have already been fully discussed by the House, and in present circumstances do not affect our budget; but as regards Posts and Telegraphs it is satisfactory to be able to record a substantial reduction in the

net loss, though this is due not to improvement in traffic but to the continued efforts on the part of those in charge to achieve economy in administration. In this case the revised estimates for the current year anticipate a reduction of the net deficiency of 5 lakhs and a further improvement of 38 lakhs next year.

23. *Summary of position*.—The complete figures for net expenditure may be summarised as follows:

Revenue.

	1 Budget, 1933-34.	2 Revised, 1933-34.	3 Budget, 1934-35.	Difference between 3 and 1 Better+ Worse—.	Difference between 3 and 2. Better+ Worse—.
1. Customs	51,25	46,87	44,62	—6,63	—2,25
2. Taxes on Income	18,06	17,13	17,25	—81	+12
3. Salt	8,75	8,55	8,73	—2	+18
4. Opium	1,20	1,59	95	—25	—84
5. Other principal heads	1,90	1,86	1,82	—8	—4
6. Interest	1,82	1,59	1,86	+4	+27
7. Civil Administration	83	78	78	—5	..
8. Currency	1,39	77	88	—51	+11
9. Mint	36	46	39	+3	—7
10. Civil Works	21	24	24	+3	..
11. Miscellaneous	57	68	56	—1	—12
12. Extraordinary	..	36	..	..	—36
Total Revenue	86,34	80,88	78,08	—8,26	—2,80

Expenditure.

	1 Budget, 1933-34.	2 Revised, 1933-34.	3 Budget, 1934-35.	Difference between 3 and 1 Better+ Worse—.	Difference between 3 and 2. Better+ Worse—.
1. Opium	57	71	42	+15	+29
2. Other direct demands	3,61	3,58	3,60	+1	—2
3. Irrigation (net)	5	4	6	—1	—2
4. Posts and Telegraphs (net)	61	56	18	+43	+38
5. Interest on ordinary debt: net	1,16	..	—1	+1,17	+1
6. Interest on other obligations	9,63	9,66	10,35	—72	—69
7. Civil Administration	9,59	9,58	9,59	..	—1
8. Currency and Mint	64	61	66	—2	—5
9. Civil Works	1,94	2,07	2,02	—8	+5
10. Miscellaneous	4,12	4,26	4,32	—20	—6
11. Defence (net)	46,20	44,42	44,38	+1,82	+4
12. Miscellaneous adjustments	1,00	1,00	1,01	—1	—1
13. Extraordinary	9	10	3	+6	+7
Total expenditure (excluding Provision for Reduction and Avoidance of Debt)	79,21	76,59	76,61	+2,60	—2
Reduction and Avoidance of Debt	6,88	3,00	3,00	+3,88	..
Total Expenditure	86,09	79,59	79,61	+6,48	—2
Total Revenue less Expenditure	+25	+1,29	—1,53	—1,78	—2,82

[Sir George Schuster.]

24. *Final Summary.*—Summing up the salient points I may state the position on the basis of which I have to frame proposals for next year as follows. We expect to close the current year, after providing 3 crores for Debt Redemption, with a surplus of 1.29 lakhs which we propose to transfer to a special fund for Earthquake relief measures. For next year, basing my comparison on the net figures of Revenue and Expenditure, our position will be 2.82 lakhs worse, that is to say, 2.80 lakhs worse as regards revenue, (which is more than accounted for by the falling off in sugar import duties, the other differences offsetting each other), and as regards expenditure 2 lakhs worse. In order therefore to provide an even balance for 1934-35 it is necessary to find means of improving the position to the extent of 1.53 lakhs.

Proposals for 1934-35.

25. The task before us however is not solely one of devising measures to find this sum. It is necessary also to review the working of the general emergency plan which was introduced in September 1931. That plan was strictly an emergency plan designed to restore equilibrium over a limited period, namely, up to March 31, 1933. For this limited purpose it proved quite remarkably successful, and the surcharges imposed did, over that limited period, produce something like the revenue which was expected. But the general plan was not intended as a permanent one, and in some respects it may be open to criticism if it is permanently retained. An obvious ground for general criticism is that there is no justification for maintaining surcharges on protective duties which have been carefully calculated to give the requisite measure of protection, while it is also possible that in the case of certain items the situation created by high surcharges on what was already a high level of revenue duties may be such as to produce diminishing returns or to have an undesirable protective effect in the case of articles not eligible for protection. On the occasion of the last budget, *i.e.*, when we had to consider what we ought to do after the originally contemplated date of March 31, 1933, was reached, the view which I took was that it was legitimate to extend the emergency plan without alteration for another year in the hope that the signs of improvement which were then apparent would materialise into a general recovery assisted by the outcome of the World Economic Conference. That hope has not been fulfilled. The Conference failed to produce any result, except to reveal the difficulties of attaining any concerted international action, while the unprecedented experiment in the United States of America has thrown a new factor of uncertainty into the whole position as regards international trade and finance. Whatever the outcome of that may be, one can only base present plans on a continuance of a level of trade and prices such as unfortunately now exists, which means that our plan of taxation as a whole must continue at the present so-called emergency level. That being the case, it is necessary to go carefully over all the items and consider whether there are any special cases where the continuance of the Emergency surcharges for this extended period is having adverse effects, especially so far as revenue is concerned.

26. On grounds of principle the first obvious step would, as I have already indicated, be to remove the surcharges on the protective duties. As to these the position is as follows:—

(a) *Textiles.*—The position as regards the whole range of textiles is being dealt with in the bill introduced by my honourable colleague, the Commerce Member. It is a complicated position, and the changes which have been made during the past two years have made it extremely difficult to compare

results or estimates of revenue under the various heads which are affected. As, however, my honourable colleague will be able more appropriately to explain all the aspects of this matter when his Tariff Bill is before the House, I will not attempt to deal with it now.

(b) *Iron and Steel.*—In the case of iron and steel, as the Tariff Board is actually now engaged in examining this industry we have decided to leave the position unchanged pending the completion of their review.

(c) *Paper.*—As regards paper, the protective duty has been producing quite satisfactory revenue returns, and, purely on revenue grounds, I have not had to propose a change.

(d) *Sugar.*—I come now to a specially difficult case—the case of sugar. I have already had occasion to comment on the tremendous loss of revenue which has occurred under the head of sugar import duties. The import duty which in 1930-31 produced over 10 crores is reduced in our next budget estimates to little more than 2 crores, and as, according to the estimates of production of new factories by the Sugar Technologist, the total production of Indian factories in 1935 is likely to be equal to the present level of India's consumption of white sugar, we must be prepared for losses of revenue still further under this head. The House is well aware that at present there is a surcharge of Re. 1-13-0 per cwt. on the protective duty of Rs. 7-4-0. The surcharge, although its effect combined with the import duty on machinery which gave us a substantial revenue from sugar machinery, may have helped our budget during the period set for the emergency programme, that is to say, up to March 31 1933, has led to a very rapid expansion of sugar factories in India. In my budget speech last year I referred to this matter and gave a clear warning to those engaged in the sugar industry that they could not count on a continuance of the existing abnormal level of protection. What has happened since then, has appeared to us to make it necessary to terminate the present situation. On the one hand it does not appear that in all cases the actual grower of sugarcane is getting the full advantage which he was intended to receive from our policy. On the other hand in many cases large profits are being made by sugar manufacturing companies, and the attraction of these profits is so great and factories are being set up so rapidly, that there is a real danger of over-production on a scale which may lead to very serious reactions both on the manufacturing industry and on the cane growers who rely on it. There are thus three main points involved.

First, the danger of continuing a stimulus which is in excess of what Government decided to be necessary as a measure of protection;

Secondly, the need to ensure that the agricultural producer gets his full measure of benefit out of the policy of protection; and

Thirdly, the replacement of the revenue losses which represents the cost to the general public of India of giving protection to a limited number of manufacturers.

After careful consideration of all these points we have decided to propose a dual policy; on the one hand the imposition of an excise duty on factory produced sugar, and on the other hand the introduction of legislation by the Central Government which will enable the Provincial Governments to apply schemes for enforcing a minimum price for cane to be paid by the factory to the grower. As I have already stated, the present duty of Rs. 9-1-0 per cwt.

[Sir George Schuster.]

is Re. 1-13-0 above the basic duty of Rs. 7-4-0 recommended by the Tariff Board. In their report, however, the Tariff Board recommended that there should be power for Government to increase the measure of protection by 8 annas per cwt. when Java sugar was being imported at a price less than Rs. 4 per maund to Calcutta. We propose to assume that the conditions justifying this extra margin of protection are likely to continue in existence for the present, and therefore to leave a protective margin of Rs. 7-12-0 per cwt. and to impose an excise duty of Re. 1-5-0 per cwt. We assume that this will yield Rs. 1,47 lakhs, and out of this we propose to set aside an amount equivalent to 1 anna per cwt., representing about 7 lakhs, as a fund to be distributed among the Provinces where white sugar is produced for the purpose of assisting the organisation and operation of co-operative societies among the cane growers so as to help them in securing fair prices, or for other purposes directed to the same end.

It is only after very carefully weighing all the issues that we have decided to propose an excise duty, for we recognise that it may be criticised as likely to have an adverse effect on the cultivators of sugar cane throughout the country, and that, in the present conditions which are particularly difficult for the agricultural masses, is a result which we could not contemplate with equanimity.* We trust however that, as a result of the legislation which we propose to introduce, the immediate position of the cultivators will be protected, while taking a view of the more distant future we have been compelled to the conclusion that if the present conditions are allowed to continue there is a danger of over-production which might in the long run bring disaster to the interests of cultivators and manufacturers alike. We believe that the measure of protection which will remain is sufficient to allow all reasonably well organised factories a fair margin of profit after paying a fair price to the cultivator, and here again we feel that in the long run the industry will enjoy a more healthy life and growth if this change is made now than if the present excessive duty is allowed to continue. I may mention that we had arrived at our decision in this matter just before the occurrence of the earthquake in Bihar which, as is well known, has affected an important sugar growing area. We consider, however, that this does not afford adequate ground for altering our whole plan, though we shall be prepared to consider special measures for the assistance of this particular area. I shall be referring to this again in a later passage of my speech.

Lastly, from the point of view of the general tax-paying public of India, who are neither sugar manufacturers nor cane growers, we feel that it is fair that some steps should be taken to preserve revenue from this source. This case of sugar is an illustration of the great cost of protection to the country, and it is essential that the public should realise that if the development of local industries is to be obtained at this cost, then the public services of the country cannot be maintained unless other methods of indirect taxation to replace such loss of customs revenue are adopted.

Before leaving this subject I may inform the House that the proposal for a Sugar Excise duty is not included in the Finance Bill, but in a separate bill, which I shall introduce as soon as possible.

* It is important in this connection to appreciate that the sugar refining industry only absorbs a fraction of the sugar cane which is grown in India. Actually in 1932-33 it is estimated that out of a total of about 48½ million tons of cane produced in India only 4½ million tons was taken by factories producing refined sugar. Of the balance about 5½ million tons was taken by khandasari factories leaving 38½ million tons for other purposes.

27. *Surcharges on Revenue duties.*—Apart from the protective duties there is the question whether the surcharges on other items are having adverse effects, either in the sense that the high level of duty is discouraging consumption to an extent great enough to produce an actual loss of revenue, or in the sense that local manufactures which have not been adjudged to be suitable for protection are being stimulated at the cost of loss of import duty revenue.

(a) *Manufactured Tobacco.*—One notable instance of adverse effects is occurring as the result of the high level of duties on cigarettes. The cigarette made wholly or mainly of Indian leaf has always enjoyed the shelter of a somewhat heavy revenue duty on the imported commodity, and it is not to that class of cigarette that I now refer. My remarks relate to a very important trade that exists in this country in a type of cigarettes which, even when made in India, are made exclusively, or almost exclusively, from imported tobacco, and experience indicates that we have not adjusted properly the relation between the import duty on raw leaf and the import duty on the finished article. Under our present tariff, as modified by the two surcharges, the duty on cigarettes works out at something like double the duty on the tobacco used in making similar cigarettes in India; and the result has been to divert the manufacture of the great majority of the leading brands of cigarettes to factories in India belonging to the same interests as previously imported these brands from abroad. Such an industrial development has never made a claim—and I do not think it could make a good claim—that it satisfies the principles of discriminatory protection and should therefore receive abnormal encouragement from the tariff. We have now decided to fix the relation between the duty on cigarettes and the duty on raw tobacco on a more rational basis, and we have considerable hopes that, while not depriving the interests concerned of reasonable assistance, it will bring back the class of cigarette concerned into the field of open competition between the imported and locally made article, and result, without detriment to the interests of the consumer, in some increase of revenue from import duties. We propose to take for cigarettes a specific duty roughly corresponding to the identical amount that would have been paid on the quantity of leaf contained in the cigarettes and to add to this specific duty the normal revenue duty of 25 per cent *ad valorem*, thus leaving the local industry with no more than the benefit which is enjoyed by every non-protected industry engaged in the manufacture of goods which are subject to our present normal revenue duty of 25 per cent. The details are as follows.

At present what I may call the basic rate of duty on cigarettes is Rs. 10-10 per thousand, while there are smaller classes which are assessed at Rs. 15 and Rs. 8-8 per thousand, the division between these classes being dependent upon values. The present rate of duty on raw tobacco is Rs. 2 per lb. standard and Re. 1-8 preferential. (Imports entitled to the benefit of preferential duty are negligible). The revised rates that we propose are:

On raw tobacco: Rs. 2-6-0 per lb. standard and Re. 1-14-0 per lb. preferential.

On cigarettes: Rs. 5-15-0 per thousand *plus* 25 per cent. *ad valorem*.

A duty of Rs. 5-15-0 per thousand on cigarettes is the equivalent of Rs. 2-6-0 per lb. on raw tobacco, because the leaf content of the kinds of cigarettes with which we are mainly concerned is about 2½ lbs. per thousand cigarettes. One of the considerations that has weighed with us in selecting the new method of adding the specific and *ad valorem* duties together rather than fixing different rates of specific duty for goods of different value has been the serious inconvenience that has been caused, ever since the latter method

[Sir George Schuster.]

was adopted, by the fact that it blocked out entirely from the possibility of competition certain ranges of value, since an increase of one anna in value would bring an increase of duty of several rupees. The new rates may somewhat increase the duty on the most expensive brands, but this may be regarded as a luxury article which can stand the increase. For the greater part of the class which is assessed now at Rs. 10-10-0 per thousand, the duty will be reduced. The amount of this reduction will be equivalent roughly to the removal of the second surcharge. It is to this effect that we look to bring a revival of imports. Our calculation is that the combined effect of the slight increase in the duty on raw tobacco and a reduction in the duty on the finished article will be, after allowing for some decline in imports of raw leaf, to increase by about 30 lakhs the very reduced revenue which we must otherwise anticipate.

(b) *Silver*.—The next item which appears to us to call for special consideration is silver. The present basic duty both excise and import is 6 annas per ounce which, with the surcharge of 25 per cent., gives a total of 7½ annas per ounce. At present the imports of silver have for all practical purposes ceased, so that against our budget estimate for the current year of 25 lakhs we only expect to receive 1 lakh, and there is no reason, if the present duty continues, to anticipate more next year. The decline in the import of silver is of course primarily due to the lack of purchasing power in the country which has turned India into an exporter of gold instead of an importer to the extent of many crores per annum of gold and silver. Therefore in present conditions the existence of this high duty can hardly be regarded as having any appreciable effect on the normal trade, though it is probably encouraging some smuggling, and it is certainly attracting movements of silver through any gaps which exist in our land customs regime. Last year I mentioned that we were taking steps to deal with this on the Burma frontier, and further steps in respect of other places are now under consideration. While this is an undesirable condition we think that the time has come on general grounds to take account of the fact that if India's purchasing power for silver were to revive the existence of a duty at the present level would not only provide an increased incentive to smuggling, but would also act as a serious obstacle to legitimate trade. Moreover we must also take into account our general policy in this matter. The part which the Indian delegates played in bringing about the silver agreement at the World Economic Conference, which has already been ratified by the Indian Legislature, must be regarded as indicating our desire to co-operate with other countries and especially with the United States of America in measures designed to improve its price. Although we must reserve our liberty to impose a duty on silver for revenue purposes, we must on the other hand recognise that a duty which is so high as to operate as a serious impediment to trade may also be unprofitable from the revenue point of view. Therefore, both as a measure of co-operation with the United States of America and other countries interested in silver, and also for the purpose of improving the prospects of our own revenue, we think the time has come to make a reduction in the silver duties.

The only consideration which can weigh with us on the other side is the effect of any such reduction on local prices. There can be no doubt that the existence of our duty throughout the last few years has done something to protect the internal price of a commodity which is an important store of value to the poorest classes. We do not wish to disturb this position, but as the facts are to-day we think we can lower the duty without risk of doing so. Taking the prices of silver which have been ruling recently in London (about 19½d. to 20½d. per standard ounce), the prices in Bombay have been ruling

round about Rs. 55 per 100 tolas as against 19½d. per ounce in London. On the basis of a London price of 19½d. we calculate that the parity price in Bombay allowing for import duty and other charges, ought to be Rs. 61-11-9 per hundred tolas, so that it looks as if the Bombay prices have been keeping at a level at least Rs. 6-11-9 per 100 tolas below the full parity. The duty of 7½ annas per ounce is equivalent to Rs. 17-9-3 per 100 tolas. It appears therefore that we might reduce the duty by one-third, i.e., by 2½ annas per ounce without thereby necessarily affecting the Bombay price at all, for it would still be somewhat below the London parity.

On these considerations we propose to reduce the duty by 2½ annas to 5 annas per ounce. In order to avoid confusion in the market we propose to give immediate effect to this reduction by notification.

We think it fair to anticipate a small import of silver as a result of this reduction, bringing up the receipts from 1 lakh to 5 lakhs. This therefore means an increase of 4 lakhs on our estimates.

28. *Other items*.—A careful scrutiny of the surcharges on the remaining items in the Tariff Schedule has not revealed any other clear case for making a change on the ground that a reduction in the duties would mean an increase of revenue or indeed would not involve a definite risk of loss of revenue. As the need for revenue continues as urgent as ever we propose to leave the other surcharges unaltered. This however only covers the revenue side of the matter, and there are, as I have already indicated, other possible reactions from the continued existence of these high duties which we cannot ignore. We propose during the coming year to examine this situation carefully from all points of view. In the meanwhile I must make it clear that the fact that these surcharges will now be in force for a second year since the date fixed for the original emergency programme must not be taken to imply that they should be regarded as having become permanently embodied into our tariff system. This remark applies not only to those articles on which the surcharges remain in force by virtue of separate legislation superimposed on the basic tariff schedule, but also to some of those duties where the surcharge and basic duties have been consolidated in recently passed or pending legislation, such as the Act to give effect to the Ottawa preferences or the two Tariff measures which are being dealt with in this Session. An important case to which these considerations apply is the 25 per cent *ad valorem* duty on British cotton piece-goods as to which my Honourable Colleague the Commerce Member will explain the exact position when he proceeds with the textile Tariff Bill which is already before the House.

29. Honourable Members will recollect that last year in the course of the discussion of the Finance Bill there was some criticism made of the existing arrangement under which the actual rate of duty leviable could only be ascertained by reference to several different Acts; and we appreciated the justice of this criticism. However defensible the surcharge form may have been when there was ground to hope that the surcharges would soon be remitted, what I have already said implies an admission that such a justification has now disappeared, especially as the result of the various independent Tariff measures to which I have already referred has been to consolidate the charges in respect of a large number of items. We had hoped to be able to put through a consolidating measure at the beginning of this Session, so that by the time that the Finance Bill was presented, any proposals affecting the tariff would be intelligible without reference to more than one Act. Unfortunately, this has proved impossible not only because of the pressure of other legislative business but also because it would have created almost insuperable difficulties in draftsmanship if we had had a consolidating measure.

[Sir George Schuster.]

before the Legislature simultaneously with two important Tariff Amendment Bills, which between them involved the amendment of no less than 31 items in the Tariff, besides adding 39 new items. We regret this result, and I can assure the House that it is our intention to introduce a consolidating measure at the earliest possible opportunity. I might perhaps add that so far as daily practice is concerned, Customs officers and the public are already in possession of a consolidated tariff compiled by the Director General of Commercial Intelligence and Statistics and sold for a few annas under the title "Indian Customs Tariff."

30. *Export duty on hides.*—I have dealt so far with the position as regards import duties, but I have also a proposal to make in the case of one of the export duties, namely, the abolition of the export duty on raw hides (not skins). We feel that in this case a portion of our export trade is possibly in real danger and that the removal of the export duty may help to avert this danger. Though the immediate loss of revenue from the duty is put at 5 lakhs, we take the view that its removal may help to encourage the export trade, and therefore to provide greater purchasing power for imports on which import duties at a higher rate will be collected, so that the indirect effects of this proposal may actually be an increase in revenue.

We consider that there is a very special case for the abolition of this particular duty. The export trade in raw hides is at present in a very depressed condition. Statistics of imports of raw hides into Hamburg show that whereas imports of hides from sources other than India have fallen off by 6 to 7 per cent. between 1931 and 1932, they are still above the 1912 level. On the other hand imports of Indian hides have fallen by over 30 per cent. between 1931 and 1932 and are now less than a quarter of what they were in pre-war days. The very significant decrease in Indian exports cannot therefore altogether be accounted for by a general decrease in world demand but must also represent to a considerable extent definite loss of trade in competition with other sources of supply. During the first half of 1933 there was some improvement in shipments to Germany, but the improvement has not been maintained and since September there has been a serious deterioration in the position even as compared with 1932-33. The duty has been retained hitherto as a purely revenue measure. But the revenue involved is now no more than a problematical 5 lakhs and we feel that there is little justification for its retention, even for revenue purposes, at a time when the export trade is in danger of extinction. What I have said applies only to raw hides; so far as the exports of skins is concerned these have shown an encouraging increase in the current year, and we do not feel that there is any strong case here for the removal of the duty.

31. *Postage and telegraph rates.*—There is one other case in which we think the time has come to make a tentative experiment in reducing charges in the hope of improving the economic position. I refer to Postage and Telegraph charges. I have already mentioned how the financial position of the Posts and Telegraphs Department is, as a result of strenuous efforts, moving towards equilibrium, with the result that the deficiency, after meeting full charges for interest on capital next year is to be reduced to under 14½ lakhs. But this improvement is the result of economy in administration and we cannot view with equanimity the general decline in the volume of business. In the case of telegraph charges in particular it seems clear that with the growing competition provided by telephone and air mail facilities the telegraph business may be permanently damaged unless something is done to cheapen the facilities offered. Similar considerations, though not so clearly, apply to Postage rates. Government have therefore decided to test out the

possibility of improving the financial prospects of the Department without impairing the revenue position by a reorganisation of the rates so as to make them more attractive to the users of the Department's services and to exploit the turn in the economic tide.

The changes proposed are as follows :

I. *Postal.*—(a) In the postal tariff we propose to lower the initial weight of inland letters from 2½ tolas to ½ a tola coupled with a reduction in the charge from 1½ anna to one anna. (Applause.) For heavier letters the charges will continue to be 1½ anna for letters not exceeding 2½ tolas, with additional 1½ anna for successive weights of 2½ tolas or fractions. This change introduces a lighter unit of weight and will undoubtedly benefit the poor citizens and the business community. Allowing for a recovery of 10 per cent in traffic we estimate that in the first year this reduction will involve a loss in revenue of 27 lakhs, but we have good reasons to hope that in the second year this loss will practically disappear, and that thereafter there will be a gradually increasing net gain.

(b) As a second change in postal charges we propose the remission of the extra pie per five pice embossed envelope which was imposed in 1931 to recover the cost of manufacturing the envelope. This is more of the nature of an administrative reform considered necessary on general grounds than a regrading of the rate, but it is again a reform which will benefit the ordinary citizen. We estimate a loss of revenue of two and a half lakhs from this change.

(c) Thirdly, as regards Postal rates, we propose a small change in a contrary direction, namely, that the initial charge on inland book packets not exceeding 5 tolas in weight should be raised from 6 to 9 pies. The book packet method of transmission is undoubtedly being abused, and a change is urgently necessary to stop the diversion, with consequent loss of revenue, that is occurring of post card traffic to the book packet category. We estimate a gain of a little over 5 lakhs in revenue from this change.

II. *Telegrams.*—The last change which we propose is as regards Telegrams. Instead of having, as at present, a minimum charge for ordinary telegrams of 12 annas with a surcharge of one anna for a message of 12 words, we propose to introduce a minimum charge for a telegram of 8 words of 9 annas, (Applause) while that for an express telegram of the same length will be one rupee and two annas. For each additional word in the two classes of telegrams the additional charge will be one and two annas respectively. We estimate a loss during the first year of 3 lakhs from this change, but here also, as in the case of the postal rates, we hope that in the second year this loss will disappear, while without making this change we consider that there is a prospect of a continuous decline in telegraph receipts.

These proposals will thus involve a total net loss of about 27·50 lakhs in the first year. In present circumstances we should not have felt justified in proposing changes involving an immediate loss of revenue except for reasons which I shall now explain. In the first place, we believe that traffic both in letters and telegrams will increase in consequence, and that due to the existence of a considerable amount of idle capacity both of equipment and personnel, the increase in traffic can be handled without appreciable increase in expenditure. Secondly, we have in view, as I have already explained in an earlier passage, the definite possibility of further economies which, even if the anticipated improvement in traffic after the first year does not materialise, ought to be sufficient to offset the loss of revenue. Lastly, we think it justifiable to adopt an expedient which will obviate any loss from these changes being debited to the Budget next year. Since the organisation of the accounts on commercial lines, the annual allocation for

[Sir George Schuster.]
depreciation has been very much higher than the amount annually spent on renewals so that the balance to the credit of the depreciation fund has been mounting rapidly. We propose to review this provision next year and pending this review, having regard to the large balance in the fund we consider it justifiable during 1934-35 to reduce the contribution to the Depreciation Fund from 36·06 lakhs required under existing rules to 8·72 lakhs being the amount required for actual renewal and reconstruction of assets. This will save 27·34 which is about equal to the net amount required for the reorganisation of the rates.

This reduction of the depreciation contribution is avowedly a temporary expedient that cannot be repeated. Consequently, the reorganisation of the rates must also be regarded, truly and literally, as an experiment designed to test out the responsiveness of traffic to rates. If traffic does not respond sufficiently or if economies sufficient to bridge the gap between revenue and expenditure cannot be found, both Government and this House will have definitely to face the necessity for increasing the rates to such an extent as may be necessary.

It is regretted that Government cannot contemplate making a similar experiment in the matter of the inland postcard rate. The loss involved in reducing it to half an anna is estimated at 56 lakhs after making due allowance for increase in traffic, and there are no economies in sight which could be expected to cover a loss of this magnitude in the near future. If the experiment now being launched in the matter of the letter and telegram rates does not belie expectations, and if the anticipated economies become available, then the reduction of the post-card rate will no doubt receive the consideration that its importance deserves. The re-organisation of the letter rate should in any case hasten the day when such action can be contemplated because it will enable the department to absorb the dead weight of idle capacity which is directly or indirectly responsible for the loss.

32. *Summary of Taxation Proposals in the preceding paragraphs.*—The proposals which I have mentioned, namely, Sugar Excise net revenue 1·40 lakhs, Tobacco duties 30 lakhs, Silver 4 lakhs, less the loss of 5 lakhs on the abolition of the export duty on raw hides, should produce a net improvement in revenue of 1·69 lakhs, which will cover the deficiency of 1·53 lakhs and leave us with a small surplus of 16 lakhs.

This would complete my plan so far as the Central budget is concerned, but I have one other important proposal to put forward which can be independently considered.

33. *Proposal for Financial Assistance to Bengal, etc.*—While our own financial position has been maintained in the sound manner which I have described, we have to recognise that the financial position in India is not merely a question of the Central Government budget, but that Provincial finances also closely concern us. Not only does the Central Government at present act as the banker to the Provinces, holding their balances and providing funds to meet their capital expenditure and deficits, but we have also in these days to consider our policy with some regard to the various proposals for Federal finance which are such an important part of the constitutional plan. I am not suggesting that we can in any way anticipate the new constitutional proposals, the form of which is still subject to consideration by the British Parliament, nor that we can attempt to take upon our shoulders the responsibility for dealing with the problems of Provincial Governments. There is however one case which has stood out in all the enquiries and proposals as requiring some special action, and that is the case of Bengal. The need for some special help to

Bengal has been recognised in the White Paper, and the Government of India is also prepared to accept a similar conclusion. At the same time if any action is to be taken, it is right that something should be done without delay, because Bengal has been since 1930 incurring deficits at the rate of about 2 crores per annum, and its debt on this account is piling up to figures which may become really unmanageable. If we are prepared to take account of this, and ask the Central Legislature to support us in raising funds to help Bengal, we can also fairly claim to be satisfied that the Bengal Government and Legislature are doing all that is possible to help themselves. Everything which I have to propose is subject to this condition.

34. After these preliminary remarks I will come straight to the plan which we have to put forward. We propose to ask the Legislature to sanction the imposition of an excise duty on Matches and then, if we can strengthen our resources in this way, to approve our handing over half the jute export duty to the jute-producing provinces, which of course means chiefly Bengal (Cheers), but will also include to a smaller extent Bihar and Orissa and Assam.

35. Honourable Members will at once appreciate how a proposal of this kind fits in with the general outlook on the position described in my introductory remarks. Let me make one or two points to illustrate this. In the first place it appears to us quite clear that, whatever the form of the new Constitution may be, India in the future will need to take advantage of all possible sources of indirect taxation. An excise duty on matches is and has always been recognised as an obvious expedient. It would therefore be in every way advantageous to have this measure in operation as far as possible in advance of the new constitution.

In the second place the proposal to hand over at least half the jute export duty to Bengal and to other jute producing Provinces is included in the White Paper plan and this affords us some basis for our present proposal, although I must again make it quite clear that the whole of these proposals must be regarded as purely of a provisional nature to deal with the immediate situation and as in no way creating a permanent arrangement which could be regarded as anticipating the final decision of Parliament in this matter.

36. I must now explain more precisely the exact nature and effect of these proposals. In the first place, according to our estimates, half the export duty on jute next year will amount to 1·90 lakhs. After allowing for a small sum of 1 lakh to cover cost of collection, the balance of 1·89 lakhs if divided in proportion to the average rate of production over the past 5 years would give about 1·67 lakhs to Bengal, about 12½ lakhs to Bihar and Orissa, and about 9½ lakhs to Assam. As far as the match excise is concerned we propose to impose this at the rate of Rs. 2-4-0 per gross of boxes on matches made in British India. The collection of the tax is in the first instance to be in the hands of Local Governments working as agents for the Government of India, but the separate bill which I shall introduce on this subject has been so drafted as to render it possible to make other arrangements at a later stage if experience shows this to be desirable.

37. In imposing this duty at the present stage there are two complications of which we have to take account. In the first place it is essential to make arrangements with the Indian States, as the manufacture of matches can be easily shifted, and it would be impossible to work it effectively unless the working of the scheme applied to India as a whole. The great majority of the States in India have signified their willingness to enter into an agreement under which every State in which matches are made, or in which they may in future be made will recover a corresponding tax, paying the

[Sir George Schuster.]

proceeds into a common pool along with the proceeds of the British-Indian tax; and the amounts of this pool will be divided on an estimated consumption basis between British India and all the States that have entered into this agreement. The bill will include power to prohibit imports and this power is to be used against matches produced in any State that does not come into the agreement. It will of course be open to every State to come into the agreement even if it has no manufacture of matches at present and in that case it will get a share of the duty on a population basis. This proposed agreement with the States is merely intended to cover a provisional period pending the introduction of Federation. We cannot prejudice the position of retaining an excise duty on matches as a Federal tax, and we must safeguard the Indian Government of the future against any arrangement made now being held to weaken the position that the Federal Government under the new constitution will retain the whole of the proceeds of the match excise.

The second complication to which I have referred is that with the consent of the Government of India the Government of Burma had already two or three years ago imposed a consumption duty at the rate of 12 annas per gross of boxes on matches manufactured in, or imported into, Burma. This duty cannot be allowed to continue side by side with the proposed excise duty, and the Burma Government Act imposing the consumption duty is to be repealed. We do not, however, think it fair that the Burma Government should thus be deprived of the proceeds of a tax which they had been allowed to levy, and as the estimated proceeds from the tax at present amount to 18 lakhs per annum, we propose as a part of our general plan that this sum should be returned to the Burma Government. We estimate that in a full year the total proceeds of this excise duty for the whole of India will be 3 crores. Out of this on the population basis about 70 lakhs will be distributable among the States, leaving 2,30 lakhs for British India. It will not however be possible to introduce the scheme so as to recover more than 11 months revenue during the first year, so that the net revenue for British India according to our budget estimates for next year will be only about 2,10 lakhs. After deducting 18 lakhs for Burma this leaves a balance of 1,92 lakhs which is only 3 lakhs more than 1,89 lakhs to be distributed on account of half the jute export duty. If this 3 lakhs is retained by the Central Government the surplus of 16 lakhs to which I referred in an earlier passage will be increased to 19 lakhs.

38. There are just two practical features in our proposals that I wish to mention. The customs duties on matches are to be revised so as to comprise rates maintaining the existing measure of protection for the Indian industry over and above the new excise duty. The proposal for imposing this match excise duty is not included in the Finance Bill, but in a separate bill which I shall introduce at the earliest opportunity. The bill will provide for no concession in favour of the so-called "cottage industry", which really means nothing more than the dipping in chemical mixtures of splints made in factories and the pasting of paper wrappers and of strips carrying other chemical mixtures on boxes made from veneers made in factories. Any such concession would make evasion of the duty and an artificial attack on the position of regular match factories materially easy; and we are justified in allowing this consideration to prevail by the fact that the Tariff Board, in paragraph 134 of their Report regarding the grant of protection to the Match Industry definitely advised against any special measures which would have the effect of encouraging match making as a "cottage industry" because it was not suitable for such operations both on economic grounds and because of the dangerously inflammable nature of the materials used.

The case is different with the sugar excise, where we have to consider an important long established industry outside power-factories, and where the risk of evasion is in any case less because the proposed rate, relatively to value, is much less onerous than that proposed for matches. With sugar again the danger of an unnatural transfer of production to the States is also much less. On both these points, we propose, with the sugar excise, to do what we could not do with matches and to follow the precedent of the cotton excise; that is to say, the sugar duty will be confined to factory produce, and States which produce sugar in factories will merely be invited to impose an equal duty, for their own benefit, on production in their own territories.

39. I must add a few words as to the significance in relation to Bengal of the proposal to render it possible to surrender part of the jute export duty. I have already stated that it is necessary to stipulate, and indeed we feel sure that we shall be supported in this view by the Legislature and particularly by those members who represent other Provinces, that if this special assistance, out of what are under the present constitution Central funds, is to be given, it is fair that we should satisfy ourselves that the Government of Bengal is taking every possible measure on its own account to restore financial equilibrium. On the other hand the present proposal is, as I have already stated in several connections, only intended as a provisional proposal. It is not intended to be a permanent commitment, nor do we intend to take the line that it is to be regarded as a full and final settlement of the Bengal Government's financial position. Further enquiries will have to be made before any such settlement could be reached, nor can it be reached until the constitutional plan is determined by the British Parliament. There are several difficult points involved, amongst which I must mention the treatment of the debt which has already accrued against Bengal as a result of budget deficits which have been incurred since 1930. This debt on their present estimates would at the end of the next financial year amount to something approaching 7 crores. As regards the other Provinces which will receive assistance, the position in their respect is just as provisional as in respect of Bengal. I may say however that we in the Government of India are prepared to recognise that there may be some special claim for assistance in the case of Assam, while as regards Bihar and Orissa, at least in present circumstances, I do not think that any Member of this House will grudge them this small windfall.

40. *Plan for dealing with Earthquake damage.*—This brings me to the last important item in our financial proposals for this year—our plan for helping to finance the measures rendered necessary by the recent earthquake. I have already mentioned one feature in this plan, namely that we propose to transfer our estimated surplus of 1,29 lakhs in the current year (or whatever the final amount of that surplus may be) to a special fund which will be utilised in assisting the Provinces, chiefly of course Bihar, which have suffered from the recent earthquake.

41. The problem of reconstruction with which the Government of Bihar and Orissa is confronted can conveniently be treated under four main heads.

(a) *Reconstruction of Provincial Government buildings, etc.*—There is first the reconstruction of Government property, chiefly buildings, though there has been some damage to canals. On such rough estimates as it has yet been possible to prepare, the cost of repairing this damage may be put at about 1 crore. Our proposal is that the Government of India should, as capital expenditure on its own account, provide half the cost of reconstructing

[Sir George Schuster.]

and on the capital grant for restoration of the Provincial Government's property next year ; so that with the 75 lakhs provided from the special fund, our estimates include three and a half crores for relief in one way or another in Bihar. If more is needed before the end of 1934-35, it will be provided. We trust that these proposals will be regarded not only as adequate, but generous. The fact that we can make them without serious embarrassment is an illustration of the value of maintaining a sound financial policy.

44. *Ways and Means.*—As indicated in an earlier passage of my speech we have succeeded in maintaining throughout the year the improvement in our credit both in England and in India, with the result that we have again been able to fund a much larger amount of our loan commitments than what I indicated in my budget speech last year. We have also been able to remit more than we anticipated, thereby further strengthening our currency reserves.

45. I will deal first with the latter. Honourable Members will realise that there is always a difficulty in presenting in the budget speech an accurate forecast of the total remittances, not only because it has to be based on estimates worked out some weeks earlier, but also because the budget is introduced at a time of the year when seasonal activities in remittance are at their height and transactions may be running into millions a week. The difficulty has been increased in the current year by the developments in the last few weeks in the currency policy of the United States of America. One side of that policy has been still further to increase the dollar price of gold. This has been followed by a similar increase in its sterling price, with the result that gold exports have again been stimulated from India. Simultaneously, there has been in the last month some rise in the price of our export commodities, the price of cotton in particular having risen materially in Bombay, and this has further strengthened exchange. Thus though our estimates are based on the assumption that in the current year we will be able to purchase £37·46 millions, that figure may be materially exceeded. We have also assumed that no expansion or contraction of currency will be required during the current year. On these assumptions we will be able to continue the process hitherto followed this year of utilising the whole of the surplus of our remittances to England in strengthening our external currency reserves. The actual process has been the addition of sterling securities to the Gold Standard Reserve which has enabled us to transfer gold from that to the Paper Currency Reserve and against that cancel *ad hoc* securities. On these estimates we should be able in the current year to replace rupee securities with external assets in the Paper Currency Reserve to the extent of 17·73 lakhs, which means that we should close the year with our note issue covered by external assets to the extent of about 60 per cent. if gold is taken at its statutory value, or of 75 per cent. if it is valued at its present market price.

46. *Loans.*—In my last budget speech I estimated that we could effect a further reduction of 8 crores in our outstanding of treasury bills ; that on the assumption that we converted 30 crores of our outstanding loans, we would only require to borrow 4 crores in India ; and that in order to repay the £7 million loan we should require to raise only £6 millions or 8 crores in London. I pointed out, however, that these figures were merely illustrative, and that our policy must, as always, be regulated by the necessity of seizing every opportunity of consolidating and improving our credit position. In fact we have been able very considerably to improve upon the estimate. As I have already stated, we expect by the end of the year to have replaced 17·73 lakhs of treasury bills in the Paper Currency Reserve by sterling securities. On the

other hand our increased sterling remittance, which naturally meant that we had to raise rupees to pay for it, has resulted in our increasing instead of decreasing the amount of treasury bills held by the public in India. Instead of a reduction of 8 crores we contemplate an increase of 3·91 lakhs to 30 crores. We consider this a reasonable amount, which, so far from being embarrassing, is rather a convenience both to us and to the market—to us because we are able to borrow in this way at a very much cheaper rate than on funded loans, and to the market because they have now made the Government treasury bill a part of their financial machinery. The market has come to rely upon this as a convenient method for the investment of short-term money, and a floating stock of about 30 crores is by no means excessive for its requirements at a time like this.

47. The revenue benefit to Government from maintaining a reasonable volume of treasury bills is not merely due to the lower interest rate but also to the fact that this makes it possible to economise materially in our cash balances, by enabling us to avoid seasonal fluctuations which are inevitable if we have to depend entirely on our revenue receipts or on regular loans floated periodically for large amounts. In pursuance of this policy we have supplemented treasury bills by borrowing of ways and means advances from the Imperial Bank throughout the year. In accordance with our usual practice, which is to use these ways and means advances merely to assist the money market by avoiding too rapid fluctuations in our treasury bills issues, we are budgeting for the entire extinction of the ways and means advances outstanding at the close of the year.

48. *Discharge of permanent debt.*—The details of the permanent debt discharged in India and in England during the current year are given below :

INDIA (in lakhs of rupees).

4 per cent. 1916-17	9,86
4½ per cent. 1934	12,98
5 per cent. Bonds 1933	4,22
5 per cent. War Loan 1929-47	4,02
6 per cent. Bonds 1933-36	8,89
Other loans	2,57
	42,54

ENGLAND (millions of pound sterling).

6 per cent. 1933-35	2·62
6 per cent. 1933-34	9·96
Other loans	1·58
	14·16

In India we discharged 42·54 lakhs including the balance of the 5 per cent. 1929-47 loan and approximately 10 crores of the 4 per cent. conversion loan 1916-17. In England we paid off the balance of the 6 per cent. Bonds 1933-35 and also paid off in their entirety the 10 millions 6 per cent. Bonds 1933-34. As against these repayments we floated one loan in India and two in England. The loan floated in India was the 3½ per cent. 1947-50 which brought us in 30·82 lakhs, while in England we floated two loans—the 4 per

[Sir George Schuster.]

cent. stock 1948-53 for 11·7 millions and 3½ per cent. stock 1954-59 for £10 millions—of the latter we realised 6·85 millions during the current year and we will receive the balance of 2·85 in the year for which we are budgeting.

49. Our general programme has again been helped by exceptionally large receipts from Post Office Cash Certificates and Savings Bank deposits. Though we reduced the rate of interest on the latter from 3 to 2½ per cent. in the summer, and though we effected a further reduction in the rate on the former, the amount which we received in this way came to 16,90 lakhs as against the budget estimate of 8,40. The recent figures of receipts less withdrawals under these two heads are remarkable.

Year.	Total.	(In crores of rupees)	
		P. O. Cash Certificates.	P. O. Savings Bank deposits.
1928-29	3·42	1·60	1·82
1929-30	5·34	2·70	2·64
1930-31	3·33	3·43	—·10
1931-32	7·32	6·15	1·17
1932-33	16·26	11·06	5·20
1933-34	16·90	7·80	9·10

They indicate that a large amount of funds is available for investment, possibly partly the proceeds of private gold realisations.

In another part of my speech I have invited attention to certain problems connected with the increase in the outstandings under the head of Post Office Cash Certificates.

50. *Capital Expenditure, Railways.*—Railway capital outlay for the current year is again less than the budget, amounting to 45 lakhs as compared with the budget estimate of 3,30 lakhs. The net effect on the ways and means position of the Railways is 2,55 lakhs more favourable. 7,78 lakhs had to be withdrawn from the Depreciation Fund balance to make up full interest charges, 6 crores for ordinary expenditure on renewals and 9 lakhs for loans to branch line companies, and as the credits to the Fund were 13,60 the net result in 1933-34 was a reduction of 27 lakhs, as against an addition of 3 lakhs anticipated in the budget, leaving a balance at the end of the year 11,79 lakhs as against 12,06 on the 1st April 1933.

51. *Provincial drawings.*—Provincial drawings for the current year were slightly less than those estimated in the budget, i.e., 4 crores as against 4·37. To a certain extent this is due to the reduction in the rates of interest charged to provincial Governments on their borrowings from the Provincial Loans Fund made possible by our successful conversion operations. Unfortunately, though the position in the provinces as a whole was better than anticipated, others, particularly Bengal, afford particular problems which I have dealt with elsewhere.

52. *Next Year, 1934-35.*—I am dealing, in a later passage of my speech, more generally with our policy of capital expenditure and the possibility of its extension. For the purposes of our estimates, however, we have proceeded on the same lines as last year, though a less rigid policy is being followed by the Railways. We are budgeting for 4,68 lakhs as Railway capita-

outlay. We are also allowing 6,25 to the provinces as compared with 4 crores during the current year. 2,75 lakhs of this will represent our estimate for the capital funds required in the course of next year for expenditure on the restoration of earthquake damage.

53. *Borrowing programme, 1934-35.*—With this low capital programme we are obviously in a very strong position. We have already dealt with all the loans the maturity dates of which afford us an opportunity of converting them. The only securities actually maturing for repayment next year are the 4½ per cent. Bonds of which 12,98 lakhs have already been converted during the current year, leaving a balance of 13,00. In England there is nothing. If we allow for receipts of 11,50 lakhs from the Post Office Cash Certificates and Savings Bank deposits as against 16,90 during the current year, this will mean that after taking into account the 2·85 million balance of the 3½ per cent. sterling loan which has still to be paid up, we will not require to float any regular loan either in India or in England. I must, however, in this connection make the usual reservation. These figures merely indicate our obligatory position. We have two large loans which we have the option to repay in London in 1935 and 1936 amounting to £29 millions or nearly 40 crores. We have also the 4 per cent. loan 1934-37 in India amounting to 19,54 lakhs, the 5 per cent. 1935 Bonds amounting to 11,43 and the 6½ per cent. Treasury Bonds also payable in that year amounting to slightly over 16 crores which it may be possible to convert if conditions are favourable. In addition, even though we have now reached a very strong position as regards our sterling reserves, we must neglect no opportunity of further fortifying them if conditions are favourable. This may entail the further replacement of rupee Treasury bills in the Paper Currency Reserve by sterling securities and a corresponding increase in our borrowings from the public.

As regards Treasury Bills held by the public, we consider that no reduction in their outstanding below 30 crores should be budgeted for next year for the reasons which I have already indicated. In present circumstances we consider this a convenient and reasonable figure.

54. *Home charges.*—In the early part of the year exchange was very steady, enabling us to effect substantial remittances. In the third quarter of October to December there was a falling off owing partly to the seasonal demand for money being later than usual, and partly to a temporary falling off in the exports of gold coinciding with speculation on the occasion of the discussion of the currency clauses in the Reserve Bank Bill. The passing of that Bill through the Assembly, however, coupled with the increase in the price of gold and of cotton to which I have already alluded, has changed the aspect in the last month, and we are now buying sterling on a large scale. As already explained, we have, for budgetary purposes, shown a figure of £37·46 millions of which we had already received up to February 20th over £36 millions as against our budget estimate for the whole year of £21 millions. We have, as I said, devoted the balance to a further strengthening of our currency reserves. In addition, we received 3·81 millions from the sale of silver. For next year we estimate that we will have to purchase 26·7 millions to fit in with the programme indicated above.

55. The position which I have thus explained is summarised in the following table, but if the actual figure of sterling purchases is higher than the present estimate the excess will, unless it is used to expand currency, be shown in the accounts as an increase in the outstanding of treasury bills held by the public in India with a corresponding reduction of the outstanding of treasury bills in the Paper Currency Reserve.

[Sir George Schuster.]

Ways and Means Statement.

(In lakhs of rupees.)

	Budget, 1933-34.			Revised, 1933-34.			Budget, 1934-35.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	1	2	3	4	5	6	7	8	9
Opening Balance .	11,73	17,85	29,58	14,59	13,19	27,78	13,44	7,10	20,54
Excess of Revenue over Expenditure.	35,82	-35,57	25	32,56	-32,56	..	32,96	-32,77	19
New Loan .	12,00	8,00	20,00	30,82	24,73	55,55	..	3,80	3,80
Post Office Cash Certificate (Net).	5,00	..	5,00	7,80	..	7,80	5,50	..	5,50
Post Office Savings Bank Deposits (Net).	3,40	..	3,40	9,10	..	9,10	6,00	..	6,00
Other Unfunded Debt (Net).	4,80	16	4,96	5,40	15	5,55	5,99	17	6,16
Discount Sinking Fund.	75	..	75	-1,13	..	-1,13	89	..	89
Reduction or Avoidance of Debt.	6,88	..	6,88	3,00	..	3,00	3,00	..	3,00
Railway Depreciation Fund.	3	..	3	-27	..	-27	-35	..	-35
Posts and Telegraphs Depreciation Fund.	39	..	39	36	..	36	..	..	..
Defence Reserve Fund.	-62	..	-62	9	..	9	-50	..	-50
Cash Balance Investment Account.	..	..	..	46	..	46	..	..	..
Cash Certificate Bonus Fund.	1,35	..	1,35	70	..	70	1,10	..	1,10
Other Deposits and Advances (Net).	-48	-1	-49	-1,27	81	-46	1,31	-3	1,28
TOTAL .	69,32	-27,42	41,90	87,62	-6,87	80,75	55,90	-28,83	27,07
GRAND TOTAL .	81,05	-9,57	71,48	1,02,21	6,32	1,08,53	69,34	-21,73	47,61
Capital Outlay—									
Railways .	2,00	1,30	3,30	-75	1,20	45	2,96	1,72	4,68
Posts and Telegraphs.	16	..	16	16	..	16	40	..	40
Civil .	46	1	47	53	1	54	83	1	84
Commutation of Pensions.	61	..	61	85	..	85	49	..	49
Gratuities to retired personnel.	-1	..	-1	3	..	3	-3	..	-3
Discharge of Permanent Debt.	28,95	8,14	37,09	42,54	18,88	61,42	13,24	3,00	16,24
Discharge of Treasury Bills—									
Public (Net) .	8,00	..	8,00	-3,91	..	-3,91	..	..	..
P. C. R. (Net) .	..	..	..	17,73	..	17,73	..	..	..
Sinking Fund Investment Account.	..	..	..	-1,45	..	-1,45	..	..	..
Gain or loss on sale, etc., of assets of the Paper Currency Reserve.	..	..	..	7,89	..	7,89	5	..	5
Loans to public (Net)	-19	..	-19	28	..	28	1,49	..	1,49
Sale of silver (Remittance Account).	50	-50	..	5,08	-5,08	..	..	..	..
Iraq drawing .	80	-80	..	76	-76	..	73	-73	..
Home Remittances .	28,00	-28,00	..	50,00	-50,00	..	35,60	-35,60	..
Transfers through the Gold Standard Reserve and the Paper Currency Reserve.	-50	50	..	-31,75	31,75	..	..	..	..
Provincial requirements.	1,15	3,22	4,37	78	3,22	4,00	3,08	3,16	6,25
TOTAL .	69,93	-16,13	53,80	88,77	-78	87,99	58,85	-28,44	30,41
Closing Balance .	11,12	6,56	17,68	13,44	7,10	20,54	10,49	6,71	17,20
GRAND TOTAL .	81,05	-9,57	71,48	1,02,21	6,32	1,08,53	69,34	-21,73	47,61

Economic prospects.

56. My speech has been mainly concerned—as a Budget speech must be—with the public finances of India, and the measures which I have described or proposed have been concerned with the object of maintaining public finances in a sound condition.

57. But in order to form a proper judgment on the public financial policy of a particular country it is necessary to cast one's vision wider, and to take account not only of the relations between that country and the rest of the world, but also of the reactions of its financial policy on the general well-being of its people. We must, in short, recognise on the one hand that financial policy is only a means to an end—the general prosperity of the country—and on the other hand that no country can today shape its destiny independently of the rest of the world. The former consideration is very present in the minds of our critics; the latter often tends to be forgotten. I wish to say something on both.

58. It has been a charge frequently made in this Assembly against the Government of India—and I have little doubt that it will be a charge repeated in the present Budget debates—that we have thought too much of theoretical financial principles, and too little of the conditions of the country; or again that when other governments have set themselves to constructive economic planning, we have drifted and done nothing. I should be the first to admit that there is room for honest difference of opinion on these matters, and the only aspect of such charges which I should resent is that we have been drifting in the matter. Whatever we have done has been done as a matter of deliberate policy decided after much thought. If one looks round the world to-day, it is quite clear that among the various countries there are different schools of thought. The recent crisis has created such irrational reactions that old theories of financial principles are being in many places questioned. It is an interesting study to analyse the budgetary policies of various countries and the effects which these have had. Thus one finds certain countries that are deliberately incurring heavy budget deficits either as an inflationary measure designed to create employment or because they do not feel that the economic condition of the country can stand further taxation. There are other countries which consciously incurred deficits during the first years of the crisis, in accordance with what one may describe as a 'fat and lean years' principle, but which now, after having experienced the adverse influence of continuing deficits on Government credit, are making strong efforts to restore a balanced budget. Lastly there are the countries which have never departed from their observance of the old fashioned principles of sound finance. This has been generally characteristic of the countries comprised within the British Empire, and among them India has been a notable example.

59. Now there are two observations which I have to make on this comparison. The first is that whatever the difference in policy between various countries, increases of taxation and drastic retrenchment, including cuts in Government officials' pay, have been practically universal features; so that in no country is the picture a rosy one. My second observation is much more important. Whereas those countries which have preserved a balanced position know where they are and have faced their troubles as they have arisen, those that are piling up deficits and public debt are evading their difficulties and postponing them till the future. They are

[Sir George Schuster.]

relieving the taxpayers of to-day in the hope that the taxpayers of to-morrow will be able to bear the burden, for one thing is certain that the burden has ultimately to be borne in some form or other by the people of the country. Even if a Government repudiates its liabilities the people of the country have to bear the burden, and in that case it is those who have trusted the government and lent it money and not the general body of taxpayers that must pay. Now it is obviously impossible for me at the close of a long Budget speech to attempt a full examination of all the issues that are involved in this subject. I will only state that we firmly believe that the best policy for India has been to preserve the traditions of sound finance and that by doing so we are helping to create the safest conditions in which her traders and manufacturers can do their business. We believe that it is better to face economic troubles when they come and that revenue and expenditure should be adjusted to meet the need rather than that the need should be hidden and disguised. We believe that that is the best course for the present and still more with a view to the future. And in this latter respect I would remind the House that we who are carrying on the Government of India to-day, have a special responsibility, for we expect to be succeeded in the near future by an Indian Government under the new Constitution. It would have been a poor service to India on our part to shirk our troubles and leave their accumulated weight to handicap the first years of the new Government.

60. I believe that the country as a whole supports us in our adherence to these principles and certainly the attitude of this Assembly in the past 3 years—which I gratefully acknowledge—encourages us in this belief. But to any who may entertain doubts in the matter I recommend a careful study of what is happening in other countries. We are often advised, for example, to look to Japan as a model, and indeed we recognise that we have much to learn from that remarkable nation. But I wonder if there is a single member of this House who would wish us to follow their financial policy. According to recent press telegrams in order to make up the deficit on the current year, it has been decided to raise 881 million yen by loans. That means the equivalent of nearly 120 crores of rupees at par, and even at the present rate of exchange about 70 crores. Last year they had a deficit covered by loans of over 1,000 million yen. Would India like to face accretions to her public debt on this scale?

61. But assuming that we have public support in this respect, there is the further charge that we have done nothing in the way of a constructive economic plan to offset the effects of the present depression. As to this, before discussing the possibilities of an economic plan, let me repeat once more that we believe that the maintenance of a sound position as regards public finance and currency is the contribution which a Government ought primarily to make towards economic recovery, for, unless the country is prepared to support the Government in a complete control of economic activities in supersession of private enterprise, its primary duty is to create conditions in which private enterprise can operate with security. We hope by our own financial policy to be able to preserve conditions of cheap money which will in themselves be an encouragement to commercial and industrial enterprise. We hope also thereby to preserve stability of currency without which international trade cannot flourish. And lastly we hope to be able thereby to sustain our power to finance capital expenditure on sound projects by the various Government authorities in India, as to which I shall have more to say later. It is important to bear these overriding considerations in mind, when the question

of a so-called economic plan is brought up. As to this, in the past Honourable Members used to ask us to look to Russia as a model. To-day the example generally quoted is that of the United States. Now though the methods in both cases are very different, there is this similarity that in each case it has been proved necessary to create departments of Government exercising large powers of control over every phase of industrial, commercial and agricultural activity of the country. The machinery of the Government of India is not adapted to such a purpose, nor do I believe for a moment that the country would tolerate such a measure of control. But quite apart from that the real practical question is—has any necessity for such drastic measures arisen in India? I doubt whether many people in India appreciate how serious the situation was in the United States of America. President Roosevelt's plan has been accepted because of the desperate need which existed for drastic action. The whole machinery of banking and industry was in danger of breaking down. Since 1929 more than 6,000 banks had failed involving deposits of five thousand million dollars—many more were carrying on and are still carrying on on a restricted basis. From 1929 to the spring of 1933 the numbers employed in factories fell by a half, the total wages by two-thirds and the wage per employee by 30 per cent. In March 1933, 21 million persons out of a total population of 120 million were living on public relief—many more were unemployed and living on savings and charity. And that was the state of affairs after the previous government had made desperate attempts and pledged hundreds of million dollars of public credit to stem the fall in prices and produce a so-called economic plan. In India we have no situation comparable to this.

62. But even if there is no occasion in India for such drastic measures, it certainly does not follow that Government should not have a definite policy, or that its duty is not at every point to assist the economic well-being of the country. We have had such a policy. Our position has had its special difficulties in other ways, for we have had to take into account not only the economic but the constitutional position. As I have already shown when the crisis first came upon us, our credit was severely strained and the debt position was such as to give cause for anxiety. This was the result partly of past commitments, partly of the fall in our export trade, and partly of constitutional uncertainty which affected the confidence of many investors in Government of India securities and holders of property in India. It was the first task of Government to safeguard and restore the position as regards credit and revenue resources, not only for the ordinary and obvious reasons, but also for special reasons connected with the constitutional position such as the setting up of a Reserve Bank. We may surely claim that the improvements which I have already described represent a substantial achievement in this direction. But that of course is not the whole of our task. While the position thus created must be preserved, we must also consider whether on the foundations thus strengthened we can construct an economic policy to improve conditions in India.

63. That has had the constant attention of Government, not merely as an emergency measure in the present crisis, and it is worth while to attempt some review of the results. In the first place it is fair to claim that as a result of Government's industrial policy, this period of world depression, when, to take only one instance, the steel production in the United States fell at one time to 10 per cent. of its capacity, has actually been a period of industrial expansion in India. Speaking in a recent debate in the Assembly, I gave some illustrations of this from the main industries. Taking the index figure of

[Sir George Schuster.]

industrial activity in the year 1928 as 100, I pointed out that as regards textiles for the first ten months of 1933, while the United Kingdom, the United States of America and France all showed falls ranging up to 25 per cent., India showed in the same period an increase of 41 per cent., as compared with an increase of 34 per cent. in Japan. Also taking steel production as another illustration, while the United States in 1933 showed a reduction of 54 per cent. and France and the United Kingdom reductions of 30 and 20 per cent. respectively, India showed an increase of 75 per cent. as compared with an increase of 55 per cent. in Japan.

64. At the same time other industries have been growing remarkably. The sugar industry is a case in point. By 1935 it is estimated that we shall produce in India the whole of the white sugar which used to be imported from Java, and indeed, as I have already said, there is now a danger of this process going too fast and too far. Let me quote yet another interesting example. The consumption of cement in India has increased from 387,932 tons in 1924 (Indian production 263,746 tons, imports 124,186 tons) to 689,515 tons in 1933 (Indian production 625,860 tons, imports 63,655 tons). At the same time there is no doubt that in the last two years, partly aided by the high level of our revenue duties, there has been a general and marked development of minor industries in India. The Indian Stores Department, which is constantly encouraging this development, though its work does not receive the recognition which it deserves, can give interesting illustrations of this. Thus they report that marked developments are now going on in Indian industries manufacturing a wide range of articles such as electric lamps, and all kinds of electrical appliances, rubber tyres, water-softening plant, cooking stoves, asbestos cement products, paints and enamels—to mention only a few instances, while in recent years there have been well-known developments in the Indian manufacture of railway rolling stock, bridge work and heavy structures in the case of which India is now able to manufacture all her requirements. Apart from these actual developments many new projects for the establishment of important factories are now under consideration.

65. Now all this is in accord with a policy deliberately adopted by Government—the essential idea being that, if the standard of living is to be raised for the increasing population of India, industrial employment must be expanded to supplement the agricultural opportunities of the country.

But, it will be said, “industrial development is only a small thing for India compared with the conditions of the agricultural masses. Their well-being is of overwhelming importance and they are being reduced to dire straits by the present low level of prices.” If by such criticisms it is meant that the Government of India has ignored agricultural development, that charge surely will not stand examination, for the irrigation projects of India have been an example to the world, and are on a scale which makes projects in other countries shrink into insignificance. But if it is meant that the very magnitude of these projects, and the increase which they have brought about in productive capacity, set up a need for Government to give guidance as to the utilisation of that capacity and the disposal of the products, or again if it is meant that industrial development may react unfavourably on agriculture if it restricts unduly India’s purchases of manufactured goods from other countries on which she has relied as customers for her own agricultural exports, or lastly if it is meant that the recent fall in prices has

given rise to other problems of special difficulty in regard to the agricultural masses, then such criticisms point to matters which deserve serious consideration. They certainly have been receiving that consideration from Government.

66. The question of the present condition of the agricultural masses of India has been so much discussed that I do not wish to enlarge upon it at great length. Yet there is so much confused thought about it that I must say something.

There is one thing on which all sides would agree, and that is that the paramount need is to raise the level of prices of agricultural commodities; and starting from this position there are many who argue that we should restore prosperity to India if we raised the level of rupee prices by the mere dodge of reducing the value of the rupee. We cannot believe that this would achieve its object. It would, of course, if the prices of all goods responded, reduce the burden of the fixed money charges which the cultivators have to pay—taxes, interest and rent. But it would do nothing to solve what is really one of the main maladjustments to-day, namely, that the prices of primary agricultural products have fallen much more than the prices of the things which the agricultural producer has to buy. Nor could the mere raising of rupee prices do anything to stimulate the demand for Indian produce in foreign markets, and this export demand, although it is only a percentage of the whole, represents the margin which makes all the difference to India’s prosperity. Moreover a great danger lies in the reaction which might come from such a course; for if, for example, the rupee prices for a product like jute were raised by a depreciation of the rupee, there might be a great stimulation of the cultivation of jute; but there would be no increase in what our export markets could absorb. This might lead to a serious crisis. One cannot dodge the realities of the situation in this way. There are some illuminating remarks on the effects of monetary manipulation and the depreciation of the dollar on agricultural interests in the annual report of the United States Ministry for Agriculture issued last December:

“It raises the prices of export of speculative commodities, such as wheat, cotton, and corn, much more than it does the prices of milk, hogs, beef, cattle, poultry, and other non-speculative commodities sold mainly in the domestic market. Moreover, it also raises the prices of the things the farmers buy. . . . By itself monetary action does nothing to change a maladjusted situation for the better. Indeed, it may tend to prevent a favourable change by temporarily hiding the need. Inflation is not a cure-all. . . . There are certain fundamental factors which must be handled otherwise. To control these factors in the world of to-day, with its multitude of trade barriers, requires for the time a production control which is obnoxious to every class in our society.”

67. It is a remarkable fact and one that is not generally appreciated that in India so far we have not had to resort to any production control of this kind, and yet our exportable products have somehow or other throughout the crisis found a market in the outside world. We have no dangerous accumulations of unsaleable stocks and we have escaped so far some of the worst problems which have afflicted other agricultural countries.

Moreover an examination of the figures of India’s main agricultural exports shows that the quantities of these have kept up remarkably well as compared with the high average of the years 1920 to 1930, and that on the whole the year 1933 shows a definite improvement over 1932. It shows also India’s adaptability, for there have been striking increases in the

[Sir George Schuster.]

quantities exported of certain articles such as groundnuts, linseed and oilcake which have partially balanced falls in more important articles like cotton. (See summary table below.*)

68. If we want to approach this matter in a practical way, there are three main problems to consider :

First, how to deal with the increase in the real burden of the fixed money payments of the agriculturist due to the fall in prices and the accumulation of debt which is resulting therefrom ;

Secondly, how to increase the internal demand for India's agricultural produce ;

Thirdly, how to improve the external demand.

69. As to the first, there have been many alleviating factors which have resulted in the avoidance, so far, of any really urgent crisis. The various Provincial Governments have made substantial remissions in land revenue

*Summary of India's main agricultural exports comparing figures for 1933 with average of 10 years 1920-30. (Figures for 1932 are shown in brackets.)

	Quantity.			Value.		
	Average of 10 years ending 1930.	1933.	Percent- age.	Average of 10 years ending 1930.	1933.	Percent- age.
				Rs. (lakhs.)	Rs. (lakhs.)	
1. Jute (Raw and manufactured.) (000)	1,499	1,407 (1,176)	94 (78)	72,84	32,37 (31,49)	44 (43)
2. Cotton, raw (000)	616	466 (286)	76 (46)	69,09	25,71 (16,03)	37 (23)
3. Tea . . . (million).	346	324 (368)	94 (106)	27,06	19,04 (16,59)	70 (62)
4. Rice (not in husk) (000)	2,067	1,829 (2,076)	88 (100)	36,98	11,42 (17,16)	31 (46)
5. Hides and skins (raw and tanned) (000)	70	56 (42)	80 (60)	13,95	9,13 (7,76)	65 (56)
6. Groundnuts (000)	448	586 (472)	131 (106)	11,21	7,78 (8,11)	69 (72)
7. Linseed . . . (000)	257	347 (77)	135 (30)	6,21	4,22 (97)	68 (16)
8. Oilcakes . . . (000)	213	290 (293)	136 (138)	2,37	1,78 (2,06)	75 (87)
9. Wool, raw (million).	45	49 (31)	109 (69)	3,89	1,74 (1,43)	45 (37)
10. Lac . . . cwt. (000)	539	565 (438)	105 (81)	7,37	1,60 (1,40)	22 (19)
11. Coffee . . . cwt. (000)	217	174 (171)	80 (79)	1,68	1,02 (1,08)	61 (64)
Total of above 11 items.				2,52,65	1,15,84 (1,04,08)	46 (40)
Grand Total of all Exports .				3,12,59	1,44,01 (1,34,76)	46 (43)

and water rates. Landlords have not pressed for their full rents. India's ancient money-lending system has proved elastic and generally speaking demands for repayment of debts have not been pressed. As a result the great mass of agriculturists have had enough to eat and a sufficient margin in cash not only to pay taxes at the reduced level but also to maintain at a fairly reasonable level their purchases of necessities. The figures for the consumption of the main necessities of the poor, salt, kerosene and cotton piece-goods demonstrate that in broad outline this is the position.

In my budget speech of last year I gave some figures showing how the consumption of these articles in 1932 compared with the average consumption during the 10 years of post-war prosperity 1920-30. Even allowing for the increase of population, the figures were remarkable when considered in relation to the fall in prices of agricultural products. The figures for 1933 show that the consumption is still maintained at a high level though there is a slight decrease from 1932. Taking the figures of local production *plus* imports as representing roughly the level of consumption, then for 1933 the figures for cotton piece-goods work out at 11 per cent. higher than the 1920-30 average, for salt at 4 per cent. lower and for kerosene at 8 per cent. lower.

The following table brings out the figures :

Indian production plus imports.

(Figures for 1932 in brackets).

	Quantity.			Value.		
	Average of 10 years ending 1930.	1933.	Percent- age.	Average of 10 years ending 1930.	1933.	Percent- age.
				Rs. (lakhs.)	Rs. (lakhs.)	
Cotton piece-goods— yds.	3,677	3,759	102	131,72	84,62	64
Mill-made. (millions)		(4,327)	(118)		(99,40)	(76)
Hand-loom . . . "	1,246	1,700	136	44,85	37,40	83
		(1,600)	(120)		(34,46)	(77)
Total Cotton piece-goods	4,923	5,459	111	176,57	122,02	69
		(5,827)	(118)		(133,86)	(76)
Kerosine oil . . . Gal. (million).	232	213	92	17,73	13,20	74
		(235)	(101)		(16,27)	(92)
Salt . . . Tons (000)	1,965	1,884	96	12,74	10,54	82
		(1,954)	(99)		(10,98)	(86)
Total .				207,04	145,76	70
					(161,11)	(77)

70. But the fact that we have survived without disaster so far does not mean that serious problems are not being set up. It is a question of how long the present state of affairs can continue. Undoubtedly in the early stages of the depression savings in cash and other forms were drawn upon, and this cannot last for ever. Moreover the accumulation of arrears of rent and interest may lead to a serious situation. We have throughout watched

[Sir George Schuster.]

this situation carefully in close consultation with Provincial Governments, and we have now with the cordial approval of these Governments arranged to have a conference early in April at which we can together review the whole situation and consider this problem of indebtedness together with all possible lines of concerted action to improve the general economic situation. The problem of indebtedness is one of immense difficulty and has many reactions, and I may say that our present view is that a solution is not likely to be found by any heroic attempts to equip India in the midst of this crisis with some entirely new credit system different to that which has grown up as a result of centuries of experience. It needs sympathetic but cautious handling and the co-operation of all concerned.

71. Turning from this I come to what I have stated as the second problem, namely, how to increase India's internal purchasing power for agricultural produce. The development of India's own industries is one method which, as I have shown, has been for a long time followed and which has gone much further than most people realise; but we must never forget that this has another side to it, and that if we produce what other countries used to sell to us, their purchasing power for our exports will diminish, *unless* we can raise the general standard of living in India and provide an increased market capable not only of absorbing the products of Indian industries, but also of continuing the use of imported commodities. This opens out an interesting and intensely important field of work, and it is a field in which industrialists themselves ought to take an active part and not shift all the burden on to Government. In other countries the producing industries are alive to the need of themselves developing the demand for their own produce. An interesting example of this is the recent development of the canning industry in the United Kingdom. This development was promoted mainly by the tin plate manufacturers, and has, in the short space of two or three years, resulted not only in the use of some hundreds of thousands of tons of steel in the form of tin plate, but has brought great benefits to the fruit and vegetable growers and to the fishing industry by providing new profitable openings for their products.

Possibly there is no opening in exactly the same field on this scale in India, but this incident affords an example which might furnish ideas in other directions. I venture to think that much is to be gained by co-operation between Indian and British manufacturers in this matter. The British organisations have much experience and might help with ideas for developing Indian markets, and if by a joint effort a greater consumptive demand—say for iron and steel products or electrical plant—can be developed in India so that there is room for both Indian and British industries to find an increasing market, the benefit to India would be immense; for India would benefit in three ways, first by increasing her own industrial market, secondly by improving the standard of living of her people, and thirdly by finding an increased market for her agricultural exports in the United Kingdom in exchange for the United Kingdom imports into India. That much can be done in India by well planned propaganda designed to increase the demand for a particular product is shown by the striking figures which I have already given of the development of the Indian cement industry. Let us from this Legislature appeal to the Indian industrialists to adopt an active and broad-minded attitude in this matter. If Government can encourage any developments in this direction their support will wholeheartedly be given.

72. Turning again to action for increasing India's internal purchasing power, which Government on its own initiative can take, there is one method which has often been mentioned in this House, that of stimulating

purchasing power by undertaking expenditure on public works and other projects. This method is obviously worthy of consideration, but if it is to do good it must be governed by certain essential conditions. It must be directed mainly to purposes which will directly or indirectly increase the economic strength of the country, and it must not be employed beyond what the credit and resources of the country will stand—for such expenditure means raising loans and paying interest upon them. This means that the extent of the possible application of this method is limited, and therefore that it should be applied at the time when it can have the maximum effect. It is like a medicine which will be most effective if it is given to the patient just at the moment when it will help him to turn the corner. It is quite possible that the proper time has come when we may utilise this method with beneficial results. On the one hand there are signs that the weakening processes of increasing economic depression have been checked and that there is a tendency towards recovery which with a slight stimulus might really take a hold on the situation. On the other hand we have so strengthened our credit position that we can look forward to being able to raise money without straining our credit and on easy terms. For all these reasons we have been diligently exploring possibilities. As my Honourable Colleague, Sir Joseph Bhore, announced in introducing the Railway Budget, we have this year made quite a substantially increased allotment for works expenditure on the railways, and as a matter of Financial policy we have informed the railways that we can now encourage sound projects of capital expenditure. We have also as another step in this direction reopened the Delhi Capital project and have a programme for buildings amounting to about 1 crore on hand. We are offering generous assistance to Bihar and Orissa for their earthquake rebuilding programme. We have removed the ban on capital expenditure in the Provinces and have pressed them to consider road construction and other development programmes for which we are prepared to offer facilities at the lowest possible rates of interest. The Provincial Governments have naturally shown caution in taking up these ideas for they are having a hard struggle to maintain equilibrium, and do not wish to mortgage their future by heavy loan charges. In any case this is a line of policy in which the main initiative must be taken by the Provincial Governments and it is one which we propose to explore fully with them at the forthcoming conference, to which I have just referred.

73. I come lastly to the possibilities of improving our position in export markets. This is the most difficult problem of all, for the factors lie so largely beyond our control, but nevertheless a good deal has been done. As everyone knows, one of the worst features of the present depression is the drying up of international trade. Causes and effects are inextricably mixed together, but the fact remains that all countries in order to protect their own position have had recourse to increasing economic nationalism supported by tariff barriers and exchange restrictions. In these circumstances the world's trade is becoming increasingly subject to artificial regulation, and no country can hope to maintain its position without an active and carefully thought-out policy. I would classify the possibilities under three heads. In the first place it is possible for groups of nations to get together and by agreement preserve a favourable regime for mutual trading with one another, which will be effective to the extent that their needs are complementary. There is only one important group which has made a start on these lines, and India is fortunate to be a member of it. I refer of course to the British Commonwealth of Nations and the Ottawa agreement. Already that has helped us and its beneficial effects are apparent in several cases. I cannot attempt

[Sir George Schuster.]

in this speech any detailed examination of those effects, on which the Commerce Department has promised to furnish a full report later in the year. But I may call the attention of the House to certain striking facts, such as the increases during 1933 in our exports of linseed and rice,* and the great value of our exports of tea,† to the United Kingdom, all of which are largely dependent on our preferences in that market. But perhaps the most impressive illustration of the increasing value of the United Kingdom market to India is to be obtained from the general trade figures.‡ Whereas the value of India's exports to all other countries, expressed as a percentage of their average value for the 10 years 1920 to 1930, amounted in 1932 to 40 per cent. and in 1933 to 41 per cent., the same percentage figure for the value of exports to the United Kingdom was 53 per cent. in 1932 and increased to 62 per cent. in 1933. Or, to illustrate the increase in another form, I may point out that during the 10 years 1920 to 1930 the United Kingdom took 22½ per cent of India's exports, while in 1933 she took over 30 per cent. Obviously therefore the prosperity of the United Kingdom and favourable trade arrangements with her are of immense importance to India.

I believe that the arrangement started by the Ottawa agreement is capable of much wider extension, and that the members of the British group of nations—India in particular—ought to be constantly engaged in a scientific study of the position, exploring new opportunities for mutual exchange. It would surely be advantageous if all these nations could co-operate in some permanent organisation for the furtherance of this purpose. But if India is to obtain benefit in this way it needs a broadminded outlook, for as I have already pointed out no country can hope to sell more to others unless it is ready to buy more from them. The efforts now being made by the Lancashire interests to increase their power to absorb Indian cotton is of welcome significance as a sign of British appreciation of this truth. It seems to me that there are encouraging signs of a growing recognition of the same truth in India. The better relations set up as a result of the recent delegation from Lancashire, and the agreement concluded by the Millowners Association, under the courageous leadership of my honourable friend Mr. Mody are likely to prove of incalculable value (Cheers), while I am one of those who believe that those Indians who represented India at Ottawa, and who supported the agreement in this Assembly have done a lasting good to their country, and especially to the agricultural masses.

The second possible line of policy is in the form of bilateral agreements which on broad lines arrange for an exchange of goods between two countries leaving individual traders to work out the actual operations. An example of this is the recently concluded agreement with Japan which has secured the market for a large part of our exportable surplus of cotton.

Thirdly there remains the field of ordinary trade unaffected by special agreements. In the reduced field left for this we may be certain that competition will become ever fiercer, for even when a country has a monopoly of a particular article, such as India has of jute, there are substitutes to be taken into account. One of the most urgent tasks for the future is to ensure the

* Exports of rice to the United Kingdom in 1933 were 275,000 tons as compared with 138,000 tons in 1932 and an average of 42,000 tons in the 3 years 1927-29.

Exports of linseed to the United Kingdom were 107,600 tons in 1933 as compared with 10,900 tons in 1932 and an average of 54,000 tons in the three years 1927-29. (See table in Appendix II).

† Indian exports of tea to the United Kingdom amounted in value to 16.88 crores out of total exports of 19.04 crores.

‡ See table in Appendix III.

position of India's products in world markets by improving their quality and grading. We recognise that Government has a responsibility in this matter, and we have just taken an initial step in deciding to bring out a first-class marketing expert, who will start by undertaking *ad hoc* enquiries as to certain of our important crops, and who may then advise as to the setting up of a permanent and larger organisation.

74. Now in working on all the three main lines which I have mentioned it is essential that Government should be able to give scientific study to the problems and have accurate statistical knowledge as to its own position. We have made several changes lately in our organisation in order to facilitate this. We have for some time had an economic sub-committee of Council, and we have recently set up a central bureau for Economic Intelligence and statistics at Government headquarters, which provides the permanent expert organisation for the Economic sub-committee. Further developments on these lines will depend on the recommendations to be made by the two economic experts from England—Professor Bowley and Mr. Robertson—who are now examining the position in consultation with three Indian economists.

75. The sum and substance of what I have said is this. Great opportunities have been created in India for agricultural and industrial expansion, and that has been proceeding even in recent years. The economic machinery has worked steadily without breakdown even through these years of unexampled difficulty. The worst that can be said is that it has worked at an unduly small margin of profit and that there may be an aftermath of special problems arising out of the changes in the relations between money and goods. What is needed now is carefully directed action to deal with these special problems, combined with planning to take the fullest advantage of India's potentialities of production, and in doing this we must recognise that India cannot thrive alone or independently of the prosperity of other countries. That should be our purpose rather than the construction of entirely new machinery or the imposition of Government control on every sphere of economic activity, and I would again remind Honourable Members that this control and a very drastic restriction of agricultural production is an essential feature of the price-raising methods included in plans like that of the United States. That Government fully recognises the needs which I have stated and is taking action for dealing with them will, I hope, be apparent from what I have said.

The appreciation which I have given seems to be a fair one on the basis of all that has happened hitherto; but no responsible man could be rash enough to claim that in these disturbed times he could foresee all that may happen in the future. New troubles may come upon the world or upon India and with them perhaps the need for new policies and more daring experiments. Let us hope that that need may not arise.

76. I have dwelt at rather great length on a subject which some might consider to be outside the scope of a budget speech, but the finances of a country are only a reflection of its economic position and I make no apology for trying to relate my account of the former to a wider setting.

Before closing, however, I must revert shortly to the actual Budget proposals. I trust that Honourable Members will give these proposals calm and fair consideration on their merits. I fully recognise that any suggestion of new taxation in present circumstances cannot be very welcome. Nevertheless I trust that further reflection will encourage the view that in all the circumstances these proposals are right and in the interests of the country. They represent a definite plan framed with an eye to the future, and with the idea not only of maintaining equilibrium for the Central Government

[Sir George Schuster.]

but of laying, in advance of the new constitution, the foundations for a financial position in which the Provincial Governments, in whose hands lies the responsibility for fostering the so-called nation-building services, may have some possibility of expanding revenue. If this is to be done it is absolutely necessary to broaden the basis of indirect taxation, and this necessity becomes all the greater if industries are to be developed in India thereby reducing her foreign trade and the receipts from customs duties. The story of sugar is an instructive one as an illustration of the cost of protection to the general taxpayer and consumer. The public may consider the result worth the cost, but the cost has to be met. It is in the light of these considerations that the new excise duty proposals should be viewed. On the other hand, while these new measures of taxation have seemed to us to be right, we have also attempted to make a start in the relaxation of burdens in cases where such relaxation might be expected to prove economically beneficial. We have not been able to afford large experiments in this direction, but the abolition of the export duty on hides and the proposals for the reduction of charges on telegrams and postage of letters are experiments which will enable us to test the situation, and possibly if they prove successful, in the near future, to undertake further measures in this direction.

In proposing a reduction in the Debt Avoidance provision we have looked on that as a margin of strength on which in the present exceptional circumstances it is legitimate to draw. Hitherto the revenue estimates have been on such an uncertain basis, and there have been so many unrealised possibilities of deterioration in our position (the potential loss on sugar import duties, for example) that it seemed wise to maintain the full provision partly as a margin of reserve against these contingencies. And indeed it has so proved. Now, however, these contingencies have to a great extent been faced as realities, and in general we may feel that as regards our Revenue estimates we are on a much more solid foundation than at any time since the crisis began. I will not be so rash as to prophesy for the future or to use words which might be quoted against my successor. But this I may say—that in our proposals we are providing fairly for all the needs that can be foreseen, that we seem to have touched bottom, and that if the tendencies which have recently been apparent continue, there is a good hope that there will be a margin next year, large enough not merely for the restoration of the cuts in pay, but for the relaxation of other burdens. But neither India, nor any other country, is yet 'out of the wood' and a cautious outlook is still necessary.

I know that many Honourable Members feel that an immediate relaxation of these burdens might itself stimulate recovery, but our own view has been that we are not yet in a position to take risks in this direction and that any premature weakening of the financial structure might jeopardise the sound position that has been created and produce a collapse which would react on all who are engaged in economic activities in the country. In the meanwhile, as I have made clear, we are searching for all possible opportunities for taking advantage of our strong credit position to encourage recovery in other ways. Finally, taking a wider view, I should like to repeat what I have so often said—that India's financial position in its strength challenges comparison with that of any country in the world, and that in these times of increasing economic potentialities for economic advance than India with her own vast market, and with her place in the British Commonwealth of Nations. (Loud and Prolonged Applause.)

Appendices to Budget Speech, 1934-35.

APPENDIX I.

SHORT SURVEY OF AGRICULTURAL POSITION AT THE BEGINNING OF 1934.

The monsoon of 1933 started about ten days earlier than usual and was unusually continuous and prolonged in most parts of the country. The monsoon proper withdrew on the 27th September but showers were general in Northern India until nearly the end of October. The total rainfall was substantially above the average in a large part of the country and normal or nearly normal elsewhere except for a small area (East Central India) where it was in defect. As might be expected, damage to summer crops by excessive rain was more common than shortage of rain. The cotton crop was seriously damaged by late rain in the Central Provinces and Berar and also in the United Provinces and Juar (the great millet) was damaged by excessive rain in several provinces. The rice crop was generally good. Local damage was caused by floods in several provinces. The sowing of winter crops was somewhat delayed by the continuance of the rains but sowing conditions were favourable. An increase of 8 per cent. in the area under winter oilseeds and of 7 per cent. in the area sown with wheat has been reported. Crop prospects now depend to a considerable extent on the weather during February and March. Reports indicate that so far the winter rainfall has not been sufficient. In Gujarat, tobacco and cotton have been damaged by abnormal cold weather, whilst frost damage to gram has occurred in parts of Central India and the Central Provinces and to winter crops generally in some parts of the Punjab.

Jute.—The area sown with jute in 1933 was reported to be 2,491,000 acres, an increase of 16 per cent. on 1932. Production was estimated at 7,933,000 bales as compared to 7,097,000 bales in 1932 an increase of 12 per cent. on the revised estimate for the previous year. Exports of jute for the period July 1933 to 20th January 1934 were 765,000 bales better than the previous year indicating that the slightly larger crop is finding a market. Prices at the end of January were a trifle better than this time last year but much below those of June 1933.

Cotton.—The 1932-33 crop turned out considerably better than expectations, the quantity baled and received loose in mills having totalled 4,730,000 bales. Adding the conventional figure of 750,000 bales for non-industrial consumption, this indicated a total crop of 5,480,000 bales as compared to a forecast of 4,516,000 bales. It is now clear that the standard yield on which the provincial forecasts are based requires to be raised in several provinces—a not unnatural sequel to the systematic introduction of improved varieties which has been going on for a number of years. The final estimate of the area under cotton in 1933-34 is not yet available—sowings in South India being incomplete at the time of the third forecast in December—but the area reported is 2 million acres (9 per cent.) above the corresponding estimate for 1932-33 and the production was estimated to be about 400,000 bales greater. The estimated increase is fully borne out by the returns of cotton baled to date which further indicate a good crop both in the Punjab and in Sind. The cotton export year runs from 1st September to 31st August and exports from the 1932-33 crop amounting to 2,790,000 bales were satisfactory, having regard to the size of the crop. Bombay stocks of unsold cotton on August 31st, 1933, were normal at 441,930 bales and stocks elsewhere were at a similar level. The Japanese boycott on Indian cotton extended roughly from July 1933 to December 1933 being lifted at the beginning of January 1934. As active shipping of the new crop usually commences at the beginning of December, exports to date during the current cotton year are below normal but the disparity is disappearing total exports for the season having reached 585,665 bales up to the end of January as compared to 774,547 in 1932-33. The Indo-Japanese trade agreement virtually ensures the export of 1½ million bales of cotton annually to Japan during its currency.

[Sir George Schuster.]

Oilseeds.—The final forecast of the *groundnut* crop will not be issued until the last week in February but the second forecast showed an increase of 9 per cent. (670,000 acres) in the area as compared to that reported at the same time last year which was the highest on record. This crop is now the most important item of the oilseeds export trade. Exports during 1933 totalled 586,000 tons an improvement of 115,000 tons on 1932 but were less than 1931 when exports totalled 710,000 tons—the improvement is encouraging as competition with other competing oilseeds like soybean is very keen. The area under *sesamum*, the next most important of the summer oilseed crops, in 1933-34 was 6 million acres—a nominal increase on 1932-33—the improvement of that year (7 per cent.) thus being maintained. The estimated yield at 509,000 tons is 4 per cent. below that of 1932-33. This crop is mainly crushed in India but exports in 1933, amounted to 17,000 tons an increase of 3,000 tons on 1932 and 13,000 tons on 1931.

Linseed.—The total area under this crop will not be known until about the middle of March but the January forecast shows a small increase of one per cent. on last year's corresponding estimate. The recovery from the low level of 1929-30 is thus being maintained, indeed there have been increases in all important areas except the United Provinces where weather conditions may have been largely responsible for the fall in area. No quantitative estimate of production is available; it is known that the crop started well but there has recently been local frost damage. Exports of linseed during 1933 were most satisfactory, the total being 332,000 tons during the period April–December as compared to 57,000 in 1932 and 100,000 tons in 1931 and 244,000 tons in 1930.

Mustard and rape seed.—The first forecast for the area under these oilseeds shows an increase of 8 per cent. 238,000 acres on the corresponding estimate of last year: the final area will not be known until March. Exports of rapeseed 7,400 tons during 1933 were below those of 1932 (131,000 tons) but better than 1931 (40,000 tons)—exports to the United Kingdom were again better than in the preceding year.

The area under sugarcane in India in 1933-34, (i.e., for the crop now being crushed) is reported to be 3,305,000 acres, a decrease of $\frac{1}{4}$ per cent. on last year but the yield is estimated to be 5,067,000 tons *expressed in terms of gur* (jaggery) an increase of 8 per cent. on last year. Full details have not yet been received but from the detailed United Provinces report which covers 1,702,000 acres, it is clear that the increase in production is due to the further spread of improved varieties which in the United Provinces now cover 1,275,000 acres, or 75 per cent. of the total area in that province, with a yield per acre 60 per cent. higher than the old varieties replaced. It is estimated that in season 1933-34 some 596,000 tons of sugar will be produced in modern factories in India as compared to 381,000 tons in 1932-33.

APPENDIX II.

EXPORTS TO THE U. K. OF CERTAIN ARTICLES OF TRADE LIABLE TO PREFERENTIAL TREATMENT IN THAT COUNTRY.

	Average of 3 years 1927 to 1929.	Quantity.			Average of 3 years 1927 to 1929.	Value.			
		1930.	1931.	1932.	1933.	1930.	1931.	1932.	1933.
Coffee Cwt. (000)	58.1	98.8	48.8	53.0	48.1	Rs. (lakhs). 75.6	Rs. (lakhs). 29.6	Rs. (lakhs). 33.8	Rs. (lakhs). 31.0
Rice not in husk Ton (000)	42.0	59.0	42.6	138.7	274.9	68.9	31.2	104.5	154.6
Hides "	2.9	2.6	2.8	3.4	5.7	44	38	53	90.3
Leather "	19.6	17.9	14.4	14.6	16.7	620	493	471	487.6
Lead, pig Cwt. (000)	719	1094	932	909	10,44.0	166	123	117	119.7
Oilcakes* Ton (000)	99.4	110.5	112.9	93.7	140.0	100	78	65	81.9
Paraffin wax "	15.8	11.0	15.3	11.6	11.7	55	69	53	50.5
Groundnuts "	40.9	40.7	78.8	40.6	24.8	74	106	75	35.3
Linseed "	54.1	58.9	14.1	10.9	107.6	127	17	13	124.3
Tea† Lb. (mill.)	310.5	300.4	290.5	320.0	279.1	19,92	17,34	14,61	16,08,17
Jute bags No. (mill.)	47.4	44.2	42.5	49.6	42.7	142	101	119	93.8
Jute cloth Yd. (mill.)	38.8	46.1	58.3	54.6	50.6	76	66	62	55.0

* Excluding castor, coconut and rape and sesamum cakes for which U. K. share is not given in the monthly S. B. T. A.

† Excluding green tea.

‡ Rise in price due to restriction scheme.

[Sir George Schuster.]

APPENDIX III.

EXPORTS FROM INDIA.

	Average of 10 years ending 1930.	1932.	1933.	Percentage of 10 years' average.	
				1932.	1933.
In lakhs of rupees.					
(1) Value of total exports to all countries	312,59	134,76	144,08	43%	46%
(2) Value of total exports to all countries <i>excluding</i> United Kingdom	242,13	97,22	100,51	40%	41%
(3) Value of total exports to United Kingdom	70,46	37,54	43,57	53%	62%

THE INDIAN FINANCE BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce the Indian Finance Bill, 1934.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That leave be given to introduce the Indian Finance Bill, 1934."
The motion was adopted.

The Honourable Sir George Schuster: I introduce the Bill.

The Assembly then adjourned till Eleven of the Clock on Friday, the 2nd March, 1934.

LEGISLATIVE ASSEMBLY.

Friday, 2nd March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MEMBERS SWORN.

Mr. T. Sloan, C.I.E., M.L.A. (Government of India: Nominated Official); and

Sir Thomas Ryan, Kt., C.I.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

ENROLMENT OF NEW ENTRANTS IN ARMY HEADQUARTERS IN THE INDIAN ARMY CORPS OF CLERKS.

304. ***Mr. Uppi Saheb Bahadur:** Will Government please state if the individuals who were offered posts in Army Headquarters on the result of the Public Service Commission examination held in November, 1932, were informed that they would be subject to new conditions of service quite apart from the new scales of pay? If not, are they going to be enrolled in the Indian Army Corps of Clerks whereby they shall have to sign a bond for ten years' compulsory service and to be sent out anywhere? If so, why?

Mr. G. R. F. Tottenham: The offer of appointment did not specify the conditions of service, but mentioned a certain scale of pay which it was stated was likely to be reduced. Acceptance of an appointment in such circumstances implied acceptance of such conditions as might be fixed for it.

SUCCESSFUL CANDIDATES OF THE PUBLIC SERVICE COMMISSION EXAMINATION HELD IN 1926.

305. ***Mr. Uppi Saheb Bahadur:** (a) Are Government aware that there were some second division candidates who qualified prior to 1926 examination and remained unprovided for, but the Public Service Commission decided to hold another examination in 1926? If so, what were the special circumstances for which the Public Service Commission held another examination when all of those already qualified were not provided?

(b) Is it a fact that the examination of 1926 was held after all the previously qualified candidates were provided for, but that the later examinations were held when the successful candidates of 1926 remained unprovided? If so, why?

The Honourable Sir Harry Haig: (a) So far as I have been able to ascertain the position, a majority of the candidates who qualified at examinations held by the Staff Selection Board prior to 1926 had, by the middle of that year, been absorbed either in temporary or permanent posts in divisions for which they had qualified, or in lower divisions or were not prepared to accept appointments of short duration. The Staff Selection Board, therefore, decided to hold an examination in 1926 in order to have on their approved list a sufficient number of candidates for vacancies likely to occur in 1927. The examination was actually held by the Public Service Commission, which had by then taken over the functions of the Staff Selection Board.

(b) As the Honourable Member is aware, a new system of recruitment was decided upon in 1928—*vide* the Home Department Office Memorandum of the 8th December, 1928, a copy of which is available in the Library of the House. Competitive examinations for external candidates and qualifying examinations for men already in service have been held in pursuance of the orders contained in that Office Memorandum. Definite quotas were laid down for external recruitment and departmental promotion; and persons who qualified in the 1926 examination and who had not obtained posts in the division for which they were qualified have been made eligible for promotion in the quota set apart for departmental promotion. Moreover, it has been laid down in Section II of paragraph 2 of Home Department Office Memorandum of the 18th February, 1931, of which a copy is available in the Library of the House, that in selecting candidates for promotion, other things being equal, preference should be given to qualified candidates and especially to those who qualified at the examination of 1926.

SUCCESSFUL CANDIDATES OF THE PUBLIC SERVICE COMMISSION
EXAMINATION HELD IN 1926.

306. ***Mr. Uppi Saheb Bahadur:** (a) Are Government aware that the Public Service Commission announced about 40 posts in the second division to be offered to the successful candidates as a result of the competitive examination held in 1926? If so, have all the candidates declared successful been appointed? If so, what are the names of the persons appointed against those vacancies?

(b) Who are the successful candidates of the 1926 examination still awaiting a chance of getting in the second division of the Secretariat and its Attached Offices? What position does each of these hold permanently in different offices?

(c) Are Government also aware that some of the qualified second division candidates who remained unprovided in that division are becoming junior in pay to, and have lesser prospects than, their contemporaries who qualified for the second division after 1926?

(d) Is it not the duty of the Public Service Commission to watch and safeguard the interests and prospects of the candidates whom they declared successful at their previous examinations, especially the 1926 competitive examination, as against those who qualified in later years?

(e) Are not Government or the Public Service Commission bound to offer all the vacancies announced by them to the successful candidates who obtain positions as a result of competitive examinations held by them? If not, why not?

(f) Do Government now propose to provide those men, who are still working in the third division of the different offices, in the second division of the Secretariat and its Attached Offices permanently? If not, what are the reasons?

The Honourable Sir Harry Haig: (a) and (b). The notice issued by the Staff Selection Board in 1926 stated that the Board would hold an examination for the purpose of making a list of candidates qualified for employment in the Imperial Secretariat and its Attached Offices and no definite places were offered for competition. The notice stated specifically that no guarantee would be given to any successful candidate that he would be given an appointment. In view of this I cannot undertake to collect the information asked for by the Honourable Member.

(c) Undoubtedly men who have been appointed to the Second Division have better prospects than those who have not.

(d), (e) and (f). As I have said in reply to parts (a) and (b) above, the notice for the examination in 1926 specifically stated that no guarantee would be given to any successful candidate that he would be given an appointment. Candidates who qualified at qualifying examinations held before or after 1926 were also not guaranteed appointments. Government have however made all reasonable provision for the promotion of qualified candidates in the quota of departmental promotions as explained in my answer to part (b) of the Honourable Member's question No. 305.

APPOINTMENT OF AN ANGLO-INDIAN IN THE VACANCY CAUSED BY THE
DISCHARGE OF A MUSLIM IN THE CENTRAL PUBLICATION BRANCH.

307. ***Mr. D. K. Lahiri Chaudhury:** Will Government please state why the Officiating Manager of the Central Publication Branch, Mr. C. V. d'Eca, has appointed an Anglo-Indian in the Muhammadan vacancy caused by the discharge of one Azizul Karim?

The Honourable Sir Frank Noyce: No vacancy is ear-marked for members of a particular community, and the Manager appointed the candidate who appeared to be most suitable.

DECLINE IN THE INCOME DERIVED FROM ADVERTISEMENTS IN GOVERNMENT
OF INDIA PUBLICATIONS.

308. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that there has been an appreciable decline in the income derived from advertisements in Government of India publications?

(b) Will Government please give statistics of income derived from advertisements, year by year, since 1925 to date?

(c) Who is the present Advertising Agent?

(d) What are his credentials?

(e) Is it a fact that one C. Muirhead was for a time the Advertising Agent?

(f) Is it a fact that he was an ex-convict, having several convictions on account of breach of trust?

(g) Is it a fact that the said C. Muirhead was recently convicted and sentenced to a term of imprisonment by the Chief Presidency Magistrate of Calcutta?

(h) Is it a fact that no Indian has so far been appointed as an Advertising Agent?

(i) Do Government propose to consider the appointment of an Indian Advertising Bureau as Advertising Agents in future?

The Honourable Sir Frank Noyce: (a) There has been a decline in the income derived from advertisements.

	Rs.
1924-25	37,795
1925-26	61,421
1926-27	48,830
1927-28	46,956
1928-29	41,902
1929-30	35,083
1930-31	29,548
1931-32	19,636
1932-33	15,006

(c) Mr. Reginald Tayler.

(d) As a salesman and agent he has covered the whole of India, Burma and Ceylon, and I understand that he speaks several vernacular languages. For several years, prior to his appointment in the Central Publication Branch, he worked as a publicity agent for the East Indian Railway, Bengal Nagpur Railway and several private firms.

(e) Yes.

(f) Yes, but when the fact was brought to the notice of Government, steps were taken to terminate his services.

(g) Government have no information.

(h) Yes.

(i) The occasion for a change of the Advertising Agent has not arisen, and no proposals for the transfer of the work to a Bureau are under consideration.

Mr. D. K. Lahiri Chaudhury: In reply to part (g) of the question, it was said that the Government had no information. May I ask if the Government will inquire into the matter?

The Honourable Sir Frank Noyce: I think the Honourable Member is under a misapprehension. He has asked a question about a late Advertising Agent and he wants to know whether he was recently convicted and sentenced to a term of imprisonment by the Chief Presidency Magistrate of Calcutta. This man's services were dispensed with at least two years ago, and what is happening to him now is not of the slightest interest to Government.

Mr. N. M. Joshi: May I ask whether the fall in the income from advertisements is due to the smallness of the circulation of Government publications?

The Honourable Sir Frank Noyce: I think it is fairly obvious that the fall in the advertisement revenue is directly due to the existing economic depression and to the consequent lack of business.

Mr. N. M. Joshi: May I ask if, in view of the fact of the smallness of the circulation, Government will circulate their publications free to Members of the Legislature?

The Honourable Sir Frank Noyce: I am not quite sure, Sir, whether it would appreciably increase the income of the advertisers if they did so.

TENDERS FROM STEAMSHIP COMPANIES FOR THE CARRIAGE OF MAILS.

309. ***Mr. Gaya Prasad Singh** (on behalf of Mr. K. C. Neogy): Will Government be pleased to state, with reference to the replies given on the 28th September, 1932, to my starred questions Nos. 1033 and 1034, whether public tenders have been invited for a new contract for the carriage of mails on the sea routes referred to in those questions; and if not, why not?

The Honourable Sir Frank Noyce: Tenders were not invited as on a close examination of the matter it was considered preferable, in view of present uncertainties, particularly as to the future relations of India with Burma, to arrange by negotiation with the British India Steam Navigation Company and the Bengal-Burma Steam Navigation Company for a continuance of the existing arrangements for the carriage of mails by sea, in which both of these companies now participate, for a short further period, under arrangements involving no increase in the aggregate annual payment hitherto made for the services in question. This special arrangement has been made for a further period of two years only from the 1st February, 1934.

Mr. Gaya Prasad Singh: To whom was the contract for the carriage of mails given?

The Honourable Sir Frank Noyce: To the British India Steam Navigation Company and the Bengal-Burma Steam Navigation Company.

STAFF EMPLOYED AT THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI.

310. ***Mr. S. G. Jog:** (a) Is it a fact that under Fundamental Rule 22 the pay of a Government servant on reduction of the strength of the cadre cannot be reduced by the new time-scale?

(b) Is it a fact that the Agent, East Indian Railway, by a notification in an Extraordinary Gazette, dated Saturday, the 24th June, 1933, announced the retrenchment of the staff to the extent shown in the statement accompanying the notification? If so, will Government please state whether the staff at the Railway School of Transportation, Chandausi, is also included in the said statement?

(c) If the reply to the first portion of part (b) be in the negative, under what notification or terms are they demoted or discharged or retrenched? Have these terms been published? If not, why not?

(d) Is it a fact that under Fundamental Rule 23 a Government servant is permitted to retain his old pay?

(e) If the replies to parts (a) and (c) be in the affirmative, will Government please state:

(i) what were the classes of Government servants employed at the Railway School of Transportation, Chandausi, on the 31st March, 1933, and the 1st April, 1933, respectively, and what were their rates of pay individually?

- (ii) what were the old and revised scales of pay for each class of Government servants employed at the Railway School of Transportation, Chandausi, and the dates from which they have been in operation;
- (iii) what were the strength and establishment charges of each class of employees at the Railway School of Transportation, Chandausi, on the 31st March, 1933, and the 31st December, 1933, respectively; and
- (iv) on what rate of pay was each class of employee at the Railway School of Transportation, Chandausi, paid on the 1st February, 1934?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

CERTIFICATES OF SICKNESS PRODUCED BY THE NORTH WESTERN RAILWAY EMPLOYEES.

311. *Mr. S. G. Jog: (a) Is it a fact that the Agent, East Indian Railway, in Circular No. 496-A. E. 1571, of the 15th March, 1929, notified that the acceptance of certificates from outside medical practitioners is dependent on their countersignature by the Chief Medical Officer or a District Medical Officer, as only certificates from the Chief Medical Officer or District Medical Officers will be accepted to cover absence? If so, will Government please state how far it is in accordance with the statement laid on the table of this House on the 4th September, 1933, in reply to starred question No. 783 of the 20th March, 1933?

(b) Do Government propose to take action against the violation of their instructions? If not, why not?

Mr. P. R. Rau: (a) Government have not seen the circular referred to, but they understand that certificates from non-railway doctors are accepted if they are countersigned by a District Medical Officer or Chief Medical Officer of the railway. The statement laid on the table on the 4th September, 1933 referred to the North Western Railway. So far as Government are aware there is no essential difference in procedure in the two railways. The question under what conditions certificates from other than railway doctors may be accepted has been left by Government for decision by the local authorities concerned.

(b) No action on the part of Government seems necessary.

PERSONS DISCHARGED BY THE DIVISIONAL SUPERINTENDENT, EAST INDIAN RAILWAY, MORADABAD.

312. *Mr. S. G. Jog: Is it a fact that the Railway Board, in their letter No. 4080-E., dated the 10th October, 1930, laid down the principle that the power of discharging railway servants without assigning reasons in accordance with the terms of their agreement, by its very nature imposes upon the competent authority the obligation to use it considerably and with strict justice, so that the railway servants shall feel that they can expect fair and reasonable treatment, and that a too frequent or a thoughtless recourse to it is apt to lead to a sense of instability of service? If so, will Government please state the number of persons discharged, with

or without one month's notice as per term of their agreements, during the year 1933 by the Divisional Superintendent, East Indian Railway, Moradabad?

Mr. P. R. Rau: The reply to the first part of the question is in the affirmative. As regards the latter part, I am calling for information, and will lay a reply on the table in due course.

PREVENTION OF THE IMPORT OF RICE IN SOUTHERN INDIA.

313. *Diwan Bahadur A. Ramaswami Mudaliar: (a) Will the Honourable the Commerce Member be pleased to state if it is a fact that 2,000 tons of rice were shipped from Kohshichang, Siam, to Madras, by the Japanese Steamer *Misaki Maru* about the 14th February, 1934?

(b) Is the Honourable the Commerce Member aware that the local markets for cheaper varieties of rice have been further depressed by this and similar shipments during the last few weeks?

(c) Will the Honourable the Commerce Member be pleased to state what quantity of rice has arrived in India from Indo-China and Siam from the 15th December, 1933, up to date?

(d) Is it a fact that regular shipments are proposed to be made during the coming months from Siam to Indian ports?

(e) Will the Honourable the Commerce Member be pleased to state if Government contemplate taking any action to prevent the imports of rice which have affected the rice markets, particularly in Southern India?

Mr. G. S. Bajpai: With your permission, Sir, I shall answer this question.

(a) and (d). Government have seen a report to this effect in the Press.

(b) Government have no precise information but recognise that this may be so.

(c) 23,883 and 9,890 tons of rice were imported into India from Siam and French Indo-China respectively between the 15th December, 1933, and 19th February, 1934.

(e) I would refer the Honourable Member to the statement made by me on Monday last in the course of the debate on the Bill to amend the Wheat (Import Duty) Act, 1931.

Mr. F. E. James: May I ask the Honourable Member whether the Government of India are making active inquiries? The fact remains that rice is coming in every week to the extent of 2,000 tons to 3,000 into the Madras Harbour alone. Surely the Government of India should take a much more active interest in the matter than is suggested by the Honourable Member's answer to parts (b) and (c) of the question.

Mr. G. S. Bajpai: Sir, the position is that the Government of India do not dispute the correctness of the statement made in the newspapers. They have issued instructions to customs authorities to keep them informed of the shipments of rice as they arrive.

IMPORT OF RICE FROM JAPAN.

314. *Mr. Sitakanta Mahapatra: (a) Will Government be pleased to state if their attention has been drawn to a statement in the *Statesman*, dated the 16th February, 1934, to the effect:

- (i) that a Japanese steamer has arrived at the Madras Harbour on the 14th February with two thousand tons of Siamese rice;
- (ii) that shipments of such rice in recent months have been fairly frequent, whereby the local market has been adversely affected;
- (iii) that a Japanese shipping company is proposing to institute a regular service between Siam and India, giving two rice shipments per month?

(b) If the reply to part (a) be in the affirmative, what action have Government taken, or propose to take, in order to safeguard the interests of the agriculturists?

Mr. G. S. Bajpai: (a) Yes.

(b) I would refer the Honourable Member to the answer I have just given to part (c) of Mr. Ramaswami Mudaliar's question No. 313.

FOREIGN RICE IMPORTED INTO INDIA.

315. *Mr. Sitakanta Mahapatra: Will Government be pleased to state what quantities of foreign rice have been imported into India from the 1st of October, 1933, till the end of the year?

Mr. G. S. Bajpai: 17,275 tons.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

316. *Mr. S. G. Jog: (a) Will Government be pleased to state if the Deputy Controller of Military Pensions, Lahore, is a competent authority to interpret and sanction pensions, under orders of Government, on the recommendations of the War Pensions Committee? If so, why is he referring claims to the Government of India? How many references, and, under what recommendations, have been made to the Government of India since the publication of the aforesaid Government orders? How many of these references have been disposed of till now, and in what way?

(b) In making references to the Government of India, does the Pension Controller represent the Government's view or the claimant's view, or both?

(c) Does the Pension Controller inform the claimant, before making these references to the Government of India, to enable him to amend, modify, or supplement his reasons, in the light of doubts felt by the Pension Controller, either on the point of interpretations, or of the scope of Government orders on the recommendations of the War Pensions Committee, or on the facts of the claim?

Mr. G. R. F. Tottenham: (a) The answer to the first part of the question is in the affirmative. The answer to the second part is that the Controller may submit for the orders of Government those cases in which he feels a doubt. The information asked for in the last two parts of the question is not readily available.

(b) The Pension Controller when making references to Government invariably explains all aspects of the case including the points on which he feels doubt.

(c) No.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

317. *Mr. S. G. Jog: (a) Will Government be pleased to state what procedure they recognise for the submission of appeals against the misinterpretations, or inapplicability of the Government's orders on the recommendations of the War Pensions Committee, made or adjudicated by the Officers Commanding in the first instance, and by the Controller of Military Pensions in the second instance?

(b) Has the Officer Commanding, or the Pension Controller, instructions to forward appeals to the appropriate higher authority? Are Government aware that appeals have been withheld by the subordinate officials?

Mr. G. R. F. Tottenham: (a) The procedure for the submission of all appeals is laid down in paragraph 379 and Appendix VII, Regulations for the Army in India.

(b) In accordance with the orders of Government on Recommendation No. XXI of the War Pensions Committee claims are liable to rejection by the authority to whom they are addressed if they do not comply with the requirements prescribed. The answer to the last part of the question is in the negative.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

318. *Mr. S. G. Jog: Is the Deputy Controller of Military Pensions a competent authority to decide that a particular claim falls under the "professional aspect of the case" for which Government do not recognise the right of appeal under recommendation No. III of the War Pensions Committee?

Mr. G. R. F. Tottenham: The orders of Government on the Recommendation quoted make it clear that the findings of a Medical Board as to the cause of a death or disability must be accepted as final. It is a question of fact and not of opinion whether any particular finding of a Medical Board is a finding as to the cause of a death or disability.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

319. *Mr. S. G. Jog: (a) Will Government be pleased to state what sort of evidence, apart from a discharge certificate showing the discharge on medical grounds, they require, under recommendation No. XII

of the War Pensions Committee, to discharge the onus that one is not entitled to a pension either under recommendation No. V or IX of the War Pensions Committee?

(b) Are Government aware that the Pension Controller has not taken the discharge certificates to be sufficient proof for the purposes of recommendation No. XII of the War Pensions Committee and has made a presumption, almost in all claims, apart from those referred to the Government of India, to the effect that the discharge certificate, not corroborated by some other independent evidence, is no proof that the individual is suffering from the same disability of which he was invalidated from the field or foreign service and discharged by the original medical board?

(c) If the answer to part (b) be in the negative, do Government propose to see letter No. G.-3/2463, dated the 29th November, 1933, of the Pension Controller as one of the numerous instances of the practice mentioned in part (b) above?

(d) Are Government aware that the Deputy Controller of Military Pensions, Lahore, has been rejecting claims submitted under the recommendations of the War Pensions Committee, for arrears of pension on the ground that the claims were previously disposed of by the Government of India? Is it a fact that the Government of India, in the last paragraph of their orders on recommendation No. VII, have retained discretion to limit the amount of arrears granted in individual cases, with due regard to equitable and financial considerations, even in claims which are not belated, where the explanation is quite satisfactory and where a claim was erroneously adjudicated or revised in accordance with principles existing in pre-committee period?

(e) If the answer to part (d) above be in the negative, will Government please refer to letters No. G.-3/3610, dated the 6th December, 1933, of the Pension Controller, Lahore, and R.B./57, of the 23rd October, 1933, of the Officer Commanding, 2/6th Rajputana Rifles, as instances of the practice mentioned in part (d) above?

Mr. G. R. F. Tottenham: (a) If an individual's discharge certificate shows that he was discharged on medical grounds, even when the disability is not specified, a *prima facie* case for investigation would be established. Thereafter the grant, or otherwise, of a pension would be dependent on the circumstances of the case. Any evidence having any bearing on the case would be dealt with on its merits.

(b) and (c). Government are not aware of any cases coming within the scope of Recommendation XII that have been rejected by the Pension Controller, but they will call for the letter referred to and look into the matter.

(d) One case of this kind has been brought to the notice of Government and has formed the subject of a separate question and answer. The Honourable Member has presumably seen a copy of the Government orders which he purports to quote in the last part of this question. These orders are perfectly clear.

(e) The cases referred to will be examined.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

320. *Mr. S. G. Jog: (a) Will Government be pleased to state whether they transfer without arrears under India Army Order No. 24 of 1927, a family pension, not drawn by the heir, in whose name it was originally granted, owing to the grantee's death? If so, will Government please state the reasons therefor?

(b) Is not the transfer of family pensions, amongst recognized heirs of a deceased sepoy of the Indian Army, a right under the principle promulgated *vide* A. I. I. 877 of the 6th August, 1918?

(c) Is it a fact that in A. I. I. 877 of 1918, it is recognised that in cases in which no nomination is made, and if on the date on which the claim to pension is investigated, the nominated heir is dead, or disqualified, the pension will be admissible to the living relation, highest in the list in paragraph 1067, A.R.I., Volume I?

(d) Is the phrase "the claim to pension is investigated" mentioned in part (c) above, interpreted as referring only to first claim to pension, in the sense that Government consider their obligations to the family as fully satisfied, if the first grantee dies without receiving any pension? If so, under what authority?

(e) Is there no distinction as regards arrears in a transfer case in which the grant was availed of by the original grantee, and the one in which it was not availed of at all?

Mr. G. R. F. Tottenham: (a) Under the rules, the nominated heir is the only relative who has a specific right to a pension. Except in the case of a widow, the transfer of a pension, after the death of the nominated heir, is an act of grace on the part of Government and the grant of arrears cannot be claimed as a right.

(b) No. The only transfer that can be viewed as a right is a transfer to the widow, under the reversionary rule contained in paragraph 248 (II) (a) (ii) of Pension Regulations.

(c) Yes.

(d) No. The rules provide for investigation on behalf of the nominated heir, but if the nominated heir is disqualified, a fresh claim can be investigated on behalf of the next entitled person under the operation of the rule in paragraph 247 of Pension Regulations.

(e) The matter is entirely one for Government to decide and in doing so they would be guided by the particular features of the case under consideration.

CONSTRUCTION OF THE BATAIA-BEAS RAILWAY.

321. *Mr. Sitakanta Mahapatra: (a) Is it a fact that the construction of the Batala-Beas Railway was sanctioned in the year 1928 and that a section of the line between Batala and Qadian has since been opened for traffic?

(b) Is it a fact that work on the remaining section of the line from Qadian to Beas has been temporarily stopped?

(c) Are Government aware that the inhabitants of the locality have submitted several petitions to Government and the Agent asking for the early completion of the line upto Beas?

(d) Are Government aware that Srighobindpur, Ghoman and Baba-Bakala are places of pilgrimage and that there is no danger of motor competition for want of pucca roads in the locality?

(e) Is it a fact that the unfinished portion of the project is being re-investigated?

(f) If so, what progress has been made with the re-investigation of the project and when is it likely to be taken in hand?

Mr. P. R. Rau: (a) to (d). Yes.

(e) and (f). It is understood that the North Western Railway Advisory Committee at Lahore recently recommended that the completion of the line as far as Sri Hargobindpur might be reinvestigated and the Agent agreed to do so. The question of whether the construction of good roads would more adequately serve the needs of the area will also have to be carefully considered. I am afraid it is not possible to say at present when a decision will be reached.

Sirdar Harbans Singh Brar: May I ask a supplementary question? Is it a fact that Government built the railway up to Qadian only, because it is a Muhammadan place of pilgrimage, and not up to Beas Baba-Bakala because they are Sikh places of pilgrimage although there is no parallel road running for motor transport to compete with the railways?

Mr. P. R. Rau: I am sorry I have not been able to catch my Honourable friend fully, but I can assure him that, so far as I know, the construction of the line was abandoned on account of financial stringency.

RELEASE OF POLITICAL PRISONERS.

322. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Has the attention of Government been drawn to a message sent by Khan Abdul Ghaffar Khan calling upon the red-shirters to put a stop to the Civil Disobedience Movement?

(b) Are Government prepared to release all other political prisoners who may signify their willingness to serve for the relief of the sufferers of Bihar?

The Honourable Sir Harry Haig: (a) Government are informed that no such message has been sent.

(b) No.

PROMOTIONS IN CERTAIN GRADES ON THE LUCKNOW AND MORADABAD DIVISIONS OF THE EAST INDIAN RAILWAY.

323. ***Lieut.-Colonel Sir Henry Gidney:** Will Government be pleased to inform this House of:

(a) the number of promotions that have been made in the grades of Charge-man, Assistant Foremen and Foremen on the Lucknow and Moradabad Divisions of the East Indian Railway since the time of the amalgamation of the East Indian and the Oudh and Rohilkhand Railways, giving the following particulars:

- (i) the dates of such promotions;
- (ii) the names of the employees;
- (iii) whether the employee so promoted belonged to the East Indian or Oudh and Rohilkhand Railway; and

(b) the number of promotions made to the lower gazetted service on the East Indian Railway since the time of the amalgamation of the East Indian and the Oudh and Rohilkhand Railways, giving the following particulars:

- (i) the dates of such promotions;
- (ii) the names of the employees;
- (iii) whether the employee so promoted belonged to the East Indian or the Oudh and Rohilkhand Railway?

Mr. P. R. Rau: (a) The information is not readily available and the collection of it is likely to involve a considerable amount of labour which Government do not consider justified.

(b) The information regarding the number of permanent promotions is being collected and will be laid on the table of the House in due course.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House where he places his collection boxes? Who and how he collects his information, and why is he not able to give information to the House even after 10 days' notice? Sir, the asking of questions is a matter of great importance to us, and the Honourable Member is developing a rather peculiar habit in his stereotyped replies.

Mr. P. R. Rau: I have promised that the information which can be collected without much difficulty will be collected.

Lieut.-Colonel Sir Henry Gidney: Sir, I wish on the floor of the House to make a statement and a protest. Many questions have recently been asked of this Honourable Member for Railways and his usual reply is that information is being collected or the labour entailed is not commensurate with the benefit. I ask: what is the use of Members asking questions when the Honourable Member is not inclined to reply to them or refuses information?

(No reply.)

CONTRIBUTIONS TO THE BIHAR EARTHQUAKE RELIEF FUND.

324. ***Mr. Gaya Prasad Singh:** (a) Have Government, or the Central Board of Revenue, received any communication from the Bengal Chamber of Commerce, Calcutta, suggesting that as an encouragement to donations to the Bihar Earthquake Relief Fund, contributions to the Fund should be allowed as a charge against profits, and not be chargeable to income-tax or super-tax?

(b) Do Government propose to take any action on this suggestion?

The Honourable Sir George Schuster: (a) Yes.

(b) The Government regret that they have been unable to accept the suggestion.

PROVISION OF QUARTERS TO THE TEACHERS OF THE EAST INDIAN RAILWAY SCHOOLS AT CERTAIN PLACES.

325. ***Sir Muhammad Yakub:** Will Government be pleased to state:

- (a) whether the teachers and other members of the staff of the East Indian Railway European schools are provided with quarters; and

- (b) whether the teachers and clerks of the East Indian Railway Indian schools at Tundla, Mughalsarai, and Bareilly, are provided with quarters; if not, why not?

Mr. P. R. Rau: Information is being obtained from the Railway Administration, and a reply will be laid on the table in due course.

PAY OF TEACHERS AND CLERKS OF THE EAST INDIAN RAILWAY SCHOOLS AT CERTAIN PLACES.

326. ***Sir Muhammad Yakub:** (a) Will Government be pleased to state if the teachers and clerks of the East Indian Railway schools at Tundla, Mughalsarai and Bareilly are allowed the same scale of pay as are in force in the Government schools of the Province to which they belong? If not, why not?

(b) Will Government be pleased to state whether the clerks of the East Indian Railway Indian schools at Bareilly, Tundla and Mughalsarai are also allowed the same scale of pay? If so, from what date? If not, why not?

Mr. P. R. Rau: I have called for certain information, and will lay a reply on the table of the House in due course.

APPLICABILITY OF THE FUNDAMENTAL RULES TO THE EUROPEAN AND INDIAN EAST INDIAN RAILWAY SCHOOLS.

327. ***Sir Muhammad Yakub:** Are the same Fundamental Rules, as regards leave, in force in both the European and Indian East Indian Railway Schools? If not, why not?

Mr. P. R. Rau: As I said the other day in reply to question No. 39 by Pandit Satyendra Nath Sen, the question of framing leave rules for the staff of the Indian Schools on the East Indian Railway is under consideration.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

328. ***Mr. S. C. Mitra:** (a) Is it a fact that the rate of disability pension per week for a sub-conductor in 1930 was eight shillings and six pence per week for 20 per cent disability?

(b) Is it a fact that the rate of disability pension per week for a sub-conductor in 1933 was six and a half shillings per week for 20 per cent disability? Will Government kindly state the date from which this six and a half shillings per week rate came into force?

Mr. G. R. F. Tottenham: With your permission, Sir, I propose to answer questions Nos. 328 to 331 together.

The questions are being carefully examined and a reply will be laid on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†329. ***Mr. S. C. Mitra:** Is it correct that, according to their orders of recommendation No. 9 of the War Pensions Committee held at Simla in June, 1933, Government have no objection to allow old rules and rates to be applied in those cases in which they would be more favourable to the individual?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†330. ***Mr. S. C. Mitra:** Is it correct that the recommendations of the War Pensions Committee, as approved by the Government of India, have been sanctioned by the Secretary of State for India? If not, when is his sanction likely to be received?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†331. ***Mr. S. C. Mitra:** (a) With reference to the Government reply to question No. 592, dated the 4th September, 1933, in this House, will Government please state if it is a fact that the relative military rank and the amounts of aggregate monthly pensions (service and disability pensions both combined) progressively rise according to one's pay on final retirement from the service, and that the Controller of Military Accounts and Pensions, Lahore, is assessing the relative military ranks and aggregate monthly pensions of people finally retiring from service on Rs. 200 per mensem and over at their pay in 1914-18 viz., Rs. 50 or 60 per month? If so, will Government be pleased to state which is the correct and right procedure?

(b) If the Controller of Military Accounts and Pensions' interpretation and application of rules is correct, will Government be pleased to state the relative military ranks that will be assigned to individuals D to I, referred to in question No. 592, dated the 4th September, 1933, put in this House?

(c) If the Controller of Military Accounts and Pensions' interpretation and application of rules is incorrect, are Government prepared to issue orders to the Controller of Military Accounts and Pensions, Lahore, to correctly assess immediately disability pensions of the kind approximating to individual "D" referred to in question No. 592, dated the 4th September, 1933, put in this House?

(d) Is it a fact that according to recommendation No. IV of the Pensions Committee, the Controller of Military Accounts and Pensions has not taken up and referred the matter to the Government of India for decision, when he received a copy of question No. 592, parts (a) and (b) of the 4th September, 1933, and of the reply thereto?

(e) Are Government aware that disability pension cases of the kind approximating to individual "D" referred to in question No. 592, parts (a) and (b), dated the 4th September, 1933, have been outstanding for years and have caused considerable inconvenience and loss to the parties concerned?

(f) Do Government propose to forward a copy of these questions, and of their replies to the Controller of Military Accounts and Pensions, Lahore, for information and immediate necessary action?

†For answer to this question, See answer to question No. 328.

STRENGTH OF SUPERIOR OFFICERS IN THE FOREIGN AND POLITICAL DEPARTMENT.

332. *Mr. S. G. Jog: (a) Will Government be pleased to state the total strength in the Foreign and Political Department of superior officers drawn from the Indian Civil Service and the military officers holding King's Commissions, respectively, and the number of Europeans and Indians therein?

(b) Is it a fact that since the last two or three years, no Indians have been recruited to this service?

(c) Do Government propose to Indianise the service in accordance with the policy of Indianisation declared in the Preamble to the Government of India Act of 1919?

(d) Will Government please state why no Indians have been recruited to the Foreign and Political Department of the Government of India?

(e) Will Government state their general policy in this matter?

Mr. H. A. F. Metcalfe: (a) Recruitment for the Political Department of the Government of India is made from the Provincial Civil Services as well as from the I. C. S. and the I. A. The number of European and Indian officers drawn from these sources and at present serving in the Department is as follows:

	I.C. S.	I.A.	P.C.S.
European	46	105	..
Indian	1	8	6

(b) No. Two Indians were recruited from the I. A. in 1930-31 and one from the P. C. S. in 1932-33. Owing to financial stringency recruitment for the Department was totally suspended in 1931-32 and reduced by 50 per cent. in the following year.

(c) The accepted policy of Government is to fill 25 per cent. of the annual vacancies in the Department by Indians provided that suitable candidates are forthcoming from the services from which selection has to be made.

(d) Does not arise in view of my replies to questions (a) and (b) and (c) is covered by the reply to question (c).

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

333. *Mr. S. G. Jog: (a) Will Government be pleased to refer to their orders under recommendation No. VII of the War Pensions Committee, in which they agreed to the first part of the recommendation that a pension sanctioning authority may grant full arrears if he is satisfied with the explanation for the delay, and in which they emphasised the fact that the recommendation was in conformity with the existing practice, and state if the Deputy Controller of Military Pensions, Lahore, has been rejecting claims which were initiated either on the representation of the claimants themselves, or were initiated by the Officers Commanding, admitted in the first instance, revised later by the Controller, as not falling within the first part of the aforesaid recommendation No. VII?

(b) Is not the Soldiers' Board a competent authority to entertain petitions under Appendix VII to the Regulations for the Army in India?

(c) Is not the fact of the death of the first holder of *Jungi Inam* certified by the Pension Controller, and by the Officer Commanding, if the death occurs in service during the War, before transferring a *Jungi Inam* to the second heir?

(d) In what way has the certification mentioned in part (c) above, and the consideration of the fact of death by the Soldiers' Board, in adjudicating the transfer of the *Jungi Inam*, been regarded as not amounting to the submission of claim to family pension in time, in cases where the applicants claimed a family pension and not a *Jungi Inam*?

(e) What action do Government propose to take to do justice in such claims?

Mr. G. R. F. Tottenham: With your permission, Sir, I propose to answer questions Nos. 333 and 334 together.

The questions are being carefully examined, and a reply will be laid on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

334. *Mr. S. G. Jog: (a) Will Government be pleased to state if, under 1922 rules, field rates of pension are admissible, on account of "disabilities resulting from field service"?

(b) Is it not a fact that in Army Order No. 130 of 1927, the expression "disabilities resulting from field service" has been interpreted as disabilities contracted in an area declared to be a field service area?

(c) Had Government any reservation in mind with regard to the exclusion of certain disabilities from the domain of recommendation No. V of the War Pensions Committee, when they accepted the recommendation "applicants for Great War disability pensions should get the general benefit of the 1922 rules, and their claims should be dealt with under those rules, but Government should accept the presumption that 'all disabilities contracted on field or foreign service during the War were, in fact, attributable to military service' "?

(d) Are Government aware that disabilities sustained in Mesopotamia during the War, on account of falling off a horse, have been certified by the Medical Board as attributable to "military service" and not to "Military service in the field" to admit of field rates of pension as mentioned in part (a) above?

(e) Are Government aware that the reasons advanced by the Headquarter Brigade Area, Poona, on the 9th June, 1932, are "the action of falling off a horse and sustaining injury is not attributable to 'field service' conditions such as disease contracted through undue exposure, wound, etc."?

(f) Is it the intention of Government to adjudicate claims to disability pensions in the light of the reasons stated in part (e) above by introducing a new term 'field service' conditions, instead of the term 'field service' as mentioned in parts (a) and (c) above?

(g) Are Government aware that appeals on the point stated in part (e) above have been withheld and the grounds stated are that "the opinion regarding falling off a horse and sustaining injury is not formed by the Officer Commanding, but this is the final decision of the higher authorities"?

*For answer to this question, see answer to question No. 333.

(h) Have the views stated in part (e) above been concurred in by Government, and do they approve of the withholding of such appeals by Officers Commanding?

(i) Do Government propose to take any action to prevent Officers Commanding and other administrative officers from assuming the rôle of interpreters of Government orders on the recommendations of the War Pensions Committee? If so, what?

RECRUITMENT OF TEMPORARY EMPLOYEES IN CERTAIN GOVERNMENT OF INDIA OFFICES.

335. *Maulvi Sayyid Murtuza Saheb Bahadur: Is it a fact that in the Department of Industries and Labour, Office of the Imperial Council of Agricultural Research, Central Board of Revenue, Office of the Director General, Indian Medical Service, Office of the Controller of Printing and Reforms Office, a number of relatives of the Establishment Officers, Personal Assistants and Stenographers have been and are being entertained in temporary and permanent vacancies which do not come within the scope of the Public Service Commission? If so, why?

The Honourable Sir Harry Haig: No.

THE GENERAL BUDGET—GENERAL DISCUSSION.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now proceed with the general discussion of the Budget. A time-limit of 20 minutes is fixed for each speech.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I think I must part with the usual practice of showering congratulations on this occasion on the Honourable the Finance Member for the very simple reason that Honourable Members will be very much tempted on this particular occasion to shower a good deal of congratulations on him as he is going away from our midst. I hope that this Assembly will take an opportunity of organising a Luncheon—and I hope to have a hand in organising it—to the Honourable the Finance Member and the Leader of the House when we shall indulge in the luxury of congratulations. (Laughter.) But now I propose very plainly to point out to him that this is the most lamentable Budget that has ever been presented to this House and I wish he had left it to his successor to initiate such a lamentable policy. On this particular occasion he has created panic in the country. What is the policy that the Honourable the Finance Member has propounded? He has propounded a policy of taxing production, a policy not of taxing profits, but of taxing production, a policy of taxing food which is as rotten as that of taxing the poor man's salt.

Sir, I have had the honour of representing for three successive Assemblies a constituency which produces sugar, and I would not have cared to come today to speak but for the fact that I must speak for my poor constituents and the people of the country. And this I am doing

against medical advice. (Interruption by Diwan Bahadur A. Ramaswami Mudaliar.) My friend, Diwan Bahadur Ramaswami Mudaliar, with his usual frivolity, except when it is a rice problem, says "poor constituency". He is a rich man, but I am concerned with the poor people of Rohilkund and Kumaon. He comes from a rice producing place and his heart bleeds at question time when he has to speak for the rice producing people. He says "poor indeed" with that unnecessary frivolity. (Interruption by Diwan Bahadur A. Ramaswami Mudaliar.) No, I cannot give way to the absurd statement of the Honourable the Deputy Leader of the principal Opposition who, with a lack of due sense in responsibility on this occasion, laughs and exclaims "poor indeed"! I do not mind when the occasion arises—because a special Bill on this is promised by the Honourable the Finance Member—if the Deputy Leader of the Opposition walks into the same lobby with the Finance Member. But here I am proposing definitely to take a very strong exception to what I consider as a most deplorable policy.

Sugar, Sir, is an important article of food of the poor people and the Honourable the Finance Member makes it a part of his policy—with what purpose, probably the future will visualise—to embark upon a most discredited form of taxation, namely, the imposition of the excise duty. Sir, unhappily I have not had the opportunity of listening to his speech, but I have read through his speech and the most unconvincing part of his speech is the part which relates to the imposition of excise duty on sugar. It is full of lame excuses. For instance, in one part of his speech he says:

"Lastly, from the point of view of the general tax-paying public of India, who are neither sugar manufacturers nor cane growers, we feel that it is fair that some steps should be taken to preserve revenue from this source."

The tax-paying public of India are invited to pay a food tax, for what else is this excise duty except a tax on the actual production of an important article of food for the people. If he were so concerned with the tax-paying public, I should say he should have agreed to put his tax on profits and not on production. We know that this will have a terrible effect on the sugar producers. India has every right to have an opportunity of producing her own sugar. She has every capacity to produce her own sugar. And here is a Finance Member who, on the eve of his financial administration of this country, gives a parting kick to one of the most important industries and to the consumers. I cannot congratulate him on this parting kick. No. Representing as I do the people of the Rohilkund Division of the United Provinces and the people of India, I cannot congratulate him on this kick which the country will deeply resent. I propose to go to my constituency and tell them that if this Sugar Bill is passed, how to get the situation remedied, for, when there is so much agricultural depression, when the industrialists are faced with a crisis, here comes an Honourable Finance Member and says: "I propose to impose an excise duty". The excise duties on cotton manufactures were bad, but an excise duty on sugar will be very unjust and unjustifiable. He talks of over-production! He says we are threatened with over-production of sugar. I refuse to take this statement from the Honourable Sir George Schuster. Where are his facts for over-production? Is not sugar coming into this country even now? Has not my country the right to produce sugar for its people to feed? (Cheers.) The Honourable the Finance

[Mr. C. S. Ranga Iyer.]

Member talks of over-production. Has not my country the right of exporting sugar to other countries? He talks of over-production. Is there not over-production of cotton goods in England? Are you not devising means of sending those cotton goods to this country? Are you not trying to buy our cotton, if possible, so that we may buy less of Japanese cotton goods? Are you not thinking of exporting cotton manufactured articles in larger quantities to this country? Similarly, have we not got the right of importing into your country our sugar? England buys sugar, and so we can stipulate that we buy their cotton goods and they should buy our sugar. Here is an attempt to cripple our industries by resorting to a policy which no industrial patriot will support, for this is nothing short of attempting to create a panic in the minds of the sugar producers. The Honourable the Finance Member says, he is going to impose a minimum price on sugar cane, and by so doing, he tries to tempt the agriculturist. I say, Sir, the agriculturist must be a fool to be tempted by those arguments which cannot hold water. He himself, in one breath says: "Oh! you are over-producing, your factories are developed", and, in the same breath, he says: "I propose to put a minimum price on sugar cane". You cannot have both things if you want to be logical. If there is over-production or a tendency to over-produce, if there are factories which are indulging in over-production, surely the sugar cane producer will find a market in which to sell his sugar cane. There is a terrific demand for sugar cane in this country at present when our sugar factories need them, and, surely, by trying to place a minimum price on sugar cane, the Honourable Member is pretending to protect the sugar cane grower while at the same time he is dividing the agriculturists from the industrialists, whereas there can be no division between them, because agriculture is based on industries and industries are inter-connected with agriculture. You cannot divide the sugar cane grower from the sugar factory runner. It is ridiculous for the Honourable the Finance Member to indulge in such unconvincing statements to prop up a case the like of which, I, at any rate, have not heard being presented to this country. Do excise duties exist in any part of the widely flung Empire of the Honourable the Finance Member? If they do, are they excise duties on the principal articles of food stuffs, on the necessities of life? If excise duties exist in the British Empire, they are duties not on necessities of life, but on luxuries such as alcohol, tobacco, and so on. Here is an Honourable Finance Member who puts excise duty on a necessity of life. I am not talking of matches, because I do not want to exhaust the arguments of other speakers. I am not referring again for the time being to his trying to mislead the public by saying "I have introduced one anna letters", whereas if he really wanted to save the poor, he should have introduced not one anna, nor half anna, but pice post cards. I am not referring now to these items. I shall purely concentrate on a matter which affects my constituents and I promise good battle to the Honourable the Finance Member right through this Sugar Bill so far as I am concerned. I owe a duty to my people who had sent me to this Legislature in three successive elections and I have, as I have said time and again, no higher satisfaction than to serve those who have put their trust in me. I take this occasion to perform that duty, and I hope the Honourable the Finance Member will not develop the policy of raising revenue through excise duty. You, Sir, as an old cotton manufacturer knew well of the old complaint that used to be of Bombay and other industrialists "why choose

us for this excise duty, why single us out for this duty". If you read the resolutions passed at successive Industrial Conferences, you will find the same complaint asking the Government why they have singled out the cotton manufacturer for excise duty and why this excise duty was not imposed on other industrialists. Here is a Finance Member who develops a regular policy of raising revenue by excise duty. I warn the House that there is a deeply laid policy, I may say almost a conspiracy, to once again revive the cotton excise duty so that the cotton manufacturer will not say in future "I alone, the cotton manufacturer, am subject to this excise duty", because the sugar manufacturer comes in and the match manufacturer comes in for this excise duty. No, Sir. If you want to raise duties, by all means tax the profits, by all means increase your taxation on profits. In that case the industrialists all-round will be hit and probably the Honourable the Finance Member wants to save a certain class of industrialist from being hit. He only wants to hit the sugar manufacturer and the match maker (Laughter), and so on. I am glad at any rate that Honourable Members on the Official Benches had some opportunity to laugh, because the expression "match maker" has got two interpretations.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Are they match-making?

Mr. C. S. Ranga Iyer: My Honourable friend, Mr. Mody, will soon find that the excise duty that the Government are now putting on sugar will recoil on his cotton, because I remember young Mr. Mody standing by the side of Sir Phiroze Shah Mehta and waxing eloquent: "Why do you choose the cotton manufacturer alone, why do you choose the Indian mill-owner alone for this excise duty? Why do you not choose other industries?" I put it to my Honourable friend to say whether he did not say so.

Mr. B. Das (Orissa Division: Non-Muhammadan): He must have forgotten.

Mr. C. S. Ranga Iyer: The Honourable Member does not answer me, and I take it that silence is acquiescence.

Mr. H. P. Mody: I will certainly do my friend the courtesy of answering him later on when the sugar duty comes up specifically before the House.

Mr. C. S. Ranga Iyer: I know that he is opposed to excise duties all his life, and, therefore, he will certainly support me as I have supported him in the past. We want to make it impossible for a Finance Member to develop a regular policy of putting excise duties whether on cotton manufacture or on sugar. Sugar stands first and cotton comes next, because sugar is an article of food. What are the facts which the Finance Member has ignored? England levies a duty on profits. In the same way if the Honourable the Finance Member taxes the profits, incidentally sugar factories will spring up all over the country, there will be employees whose salaries also he can tax. Again, are not the railways also making a profit, I ask, by this transfer of sugar cane from the place of its growth to the factory, for, up to within two hundred miles, these sugar canes are sent by rail in many places. Therefore, why hamper the increase in the number of sugar factories in this country? Why should it not be possible

[Mr. C. S. Ranga Iyer.]

for India to feed the entire British Empire,—for the Honourable the Finance Member is a believer in free trade within the Empire,—why should it not be possible for India to feed the bulk of the British Empire with Indian sugar? We have a right to ask that.

The Honourable Sir George Schuster (Finance Member): And I have a right to reply. India will be able to feed the British Empire with sugar when India is able to produce sugar at a price which is not three times the price at which Java can produce it at present.

Mr. C. S. Ranga Iyer: And when India is producing sugar under such comparative difficulty, will the Honourable the Finance Member explain why he increases this difficulty by this iniquitous imposition of an excise duty? The Honourable Member has no reply. (Laughter.)

The Honourable Sir George Schuster: I have plenty of replies, and the Honourable Member can wait for my replies in due course.

Mr. C. S. Ranga Iyer: That is better, as I am speaking under a time limit. But when he gives his reply in due course, I hope he will take into due consideration the observation of one of his predecessors who had not only the financial sense which the Honourable the Finance Member, who is an expert, most certainly has, but a political sense; for though not an expert he was a versatile genius,—I mean Sir Malcolm Hailey, the ablest politician in the Civil Service and also one of the ablest thinkers in the Civil Service. This is what he said, speaking of the excise duty, in March 1922, in this House:

"I admit that in itself it (*viz.*, the excise duty) is not a good tax, because it is a tax on production and not on profits."

And when he keeps this in mind, he will find it pretty difficult to satisfy the House why he should have wandered out of the beaten tracks to which the Finance Members in the other parts of the Empire are accustomed, and started the imposition of what Lord Hardinge once described as an iniquitous duty.

Sir, I do not want to go further into this subject. Every set of arguments that was urged against the excise duty during the agitation to get rid of it by the able patriots in our country, every set of arguments which the officials at a later stage made their own, will be applicable to the imposition of this new duty. A tax on the production of the largest and most important indigenous industry like sugar will be a tax which will be not only economically but also morally indefensible. Sir, I hope the Honourable the Finance Member will not put this new clog on the wheel of India's industrial progress. I would that he would give every facility for the indigenous sugar producer to feed the British Empire, for I believe in one part of the Empire benefiting itself and another part of the Empire by trade which will suit them. We can send England our sugar, England can send us something else; and if our factories increase, England will send us her machinery. Therefore, even for improving Indo-British trade, so far as machinery goes, England will be benefited by the increase of the number of sugar factories in India. And, as I told you,

there are other matters into which we could enter, as you did, Sir, under the Ottawa Agreement, into inter-Imperial trade relations. But the Honourable the Finance Member must not start by hampering the growth of an indigenous industry which has every right to rise and which the people want should prosper. If we are not going to prosper in the direction of producing our own sugar for which India has the greatest competence, how are we in these days of agricultural depression to prosper? He talks, as I said, of imposing a minimum price on sugar cane. Well, if the sugar factory people do not buy sugar cane or if the sugar cane producers do not get the price they want, they can change their crop from sugar cane to something else; they can have the wheat crop or the paddy crop. Surely the Honourable the Finance Member need not concern himself so much with our sugar cane producer. If factories, for instance, grow in South India, the rice grower will grow sugar cane in larger quantities. Therefore, if he does not handicap the growth and spread of sugar factories in this country, he will be helping the sugar cane producer. He talks of the co-operative system. Sir, the co-operative system has not got all the virtues that are generally attributed to it. Sometimes the co-operative system has itself put clogs on the wheels of agricultural progress. Therefore, I must ask the Honourable the Finance Member to leave the sugar industrialists alone and to reap his revenue from taxes on profits and not on production. (Applause.)

Mr. Nabakumar Sing Dudhuria (Calcutta Suburbs: Non-Muhammadan Urban): Sir, as a mere recapitulation, devoid of any bold, original and constructive scheme, this last Budget speech of the Honourable Sir George Schuster, running over 51 pages of close print, has been a little too trying for our patience. But the adroit way in which he has managed to achieve a surplus cannot fail to impress us. Heaven knows what fate would have attended his Budget if the accidental receipt, as an effect of the Capitalisation Tribunal Award, had not come, or if the Debt Redemption Fund had been as fully fed as budgeted. But when a surplus was designed and actually obtained, it was natural to expect that the mighty avalanche of direct and indirect taxation, which has characterised his régime, should have given in a bit. But, I forget, Sir, that what my Honourable friend had been pursuing so long was to secure credit and sound finance for this country on the eve of the proposed constitutional changes.

There is sure to be some amount of exultation over the unexpected reduction in the military expenditure to 44½ crores, six crores below even what Inchcape Committee recommended. But when we seriously ponder over the causes which have contributed towards that end, the sudden drop does not seem to be so surprising. In 1913-14, the Indian Army cost only 29½ crores. Since then the annual cost of a British soldier has risen from 1,000 to 2,500 rupees, and of an Indian soldier from 300 to 650 rupees. There is yet in reserve about, 1,000 Officers, recruited between 1915 and 1920, quite in excess of requirements. There is still a good deal of overlapping and provincialising of *bond fide* military expenses. So, Sir, to me even 44½ crores expenditure for an army of occupation in quite normal times, without any probable or potential engagement anywhere, appears to be quite a huge figure. But, again, I forget, Sir, that the military expenditure has to be kept at a high figure for reasons of State, because there would be no chance of raising a loan in the City of London if we tried to reduce the British garrison or the present strength of the British Army.

[Mr. Nabakumar Sing Dudhoria.]

Again, as our sugar industry has not yet reached the complimentary stage which my Honourable friend has ascribed to it, I cannot but decry the proposed excise duty on sugar. When protection was first extended to sugar, it was done with a two-fold object: the obvious one was the stimulation of the country's industry, but the latent one was to find a market for the British-made sugar machinery for the partial solution of the British unemployment problem through the preferential tariff. What was lost on the customs revenue on sugar by the intended protection was thus partially gained by the duty on machinery and surcharge thereon. Then, Sir, the protection was extended for seven years certain, but it was understood then that the period would be extended for another seven years, if the stage of the industry required it after an examination. But from what transpires now, it is more than evident that the protection will go as soon as the first instalment of seven years is over, examination or no examination. The excise duty is sure to hit hard the Bengal enterprise which is just coming into the field, and will materially prejudice the general outlook of the sugar industry in the whole of Northern India. But, I wonder whether the excise duty on sugar would have gone quite unopposed had there been a lot of non-Indian capital invested in the industry.

When I find that there have recently come into being some match factories, directly financed by foreign non-British capital, but carried on *benami*, some of them, under the helpful guidance of people who have once had the rare privilege of examining the ins and outs of the Indian match industry first-hand, I cannot but partially welcome the excise duty on matches. The duty will have some deterrent effect upon those concerns no doubt, but what was really needed was some such steps as could have ousted, both open and hidden foreign capital, from that industry. But the reasons which my Honourable friend has adduced for extending the duty to the cottage industry, which forms the *bona fide* Indian industry, do not appeal to me in any way. Again, to try to rope in the Indian States through some agreement to assist in the proper functioning of the duty will be beset with a lot of complications and is of doubtful utility. The possibility of such joint action could have been left over till the inauguration of the Federal Constitution.

Then, the reduction of the import duty on silver is sure to cause some unsteadiness in the silver market which had remained for a long time quite steady.

Again, when the tanning industry is fast developing in this country, the abolition of the export duty on raw hides will prove greatly deterrent to that industry especially in South India, Punjab and Bengal, although there may be some other mysterious reasons behind those stated for that step.

My Honourable friend in claiming credit for his budget could have spared twitting the policy that America and Japan have recently pursued to solve their financial troubles. It is true that my Honourable friend did not betake himself to any monetary manipulation like America, but he cannot say that he did not resort to loans like Japan. Taxation upon taxation, duty upon duty, *plus* loans year after year, both here and abroad, almost reached the figures of condemned Japan for the last two years. Then we must not overlook the fact that what America and Japan have

done, either in manipulating currency or in raising loans, was for the sole improvement of their whole national financial structure. But what my Honourable friend has actually done here with his loans was to meet only the bare administrative needs, not a pie being spent for the furtherance of any nation-building project.

My Honourable friend has tried to bring out in relief two things: one, that of late a lot has been to foster and stimulate largely some of the country's industries and manufactures by the different departments of the Government. Secondly, that ways and means are being thought of whereby the agricultural depression may be got over. It may be true, very likely it is, that a few local industries and manufactures are receiving support from some of the Government Departments, but what I see is that the number of technically qualified unemployed youths is daily on the increase, making the general unemployment problem quite serious. We shall wait and see what turn events take, for the consummation of the latter object.

What my Honourable friend has said about the results of the Ottawa Agreement on the Indian Trade outlook I note with great gratification, but if my Honourable friend had analysed the differences of opinion between McKenna and Paton as also among the other economists in England on that vexed question, he would have hesitated a bit before waxing so eloquent over the results of his achievements in Ottawa.

Again, it does not behove the Honourable the Finance Member to come straight to the conclusion that whereas salt, kerosene and piece-goods are yet consumed at a fairly high level, therefore, the condition of the generality of the people is prosperous. Nothing can be a bolder assumption than that, when the real facts, which we see with our eyes before and about us, wholly belie that conclusion.

Sir, I must now turn aside from criticisms to a pleasant task, that is, to express my gratitude to him for the relief that he has been pleased to give by introducing a middle course in postage and inland telegraph rates, although I feel that the increase of a pice in packet postage has been quite inconsistent with the spirit in which these modifications have been introduced.

Then, the grant of the whole surplus of the Budget for the relief of the recently earthquake-damaged Province of Bihar will be hailed with the greatest delight throughout the length and breadth of the country and will endear my Honourable friend to the people of the havoc-stricken areas.

Lastly, Sir, coming as I do from Bengal, I owe the Honourable the Finance Member a special debt of gratitude for the financial assistance that he has given to that Province, which has been from year to year in the throes of a deficit Budget, notwithstanding her largest earning capacity. But until and unless the iniquity of the Meston Award is modified and due justice is done to the fair Province of Bengal, she is sure to wallow in the quagmire of perpetual deficits, much to the annoyance of her Government and the chagrin of her people.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, the Honourable Mr. Ranga Iyer who has preceded me has warned the Opposition not to indulge in mere congratulatory speeches to the Finance Member on his valedictory Budget, especially as he is leaving us within a short time; and he has also assured us that

[Mr. T. N. Ramakrishna Reddi.]

there would be an opportunity when a party is arranged in his honour to indulge in any amount of congratulatory speeches: but, Sir, I have not yet received an invitation for that dinner and so I may not have that opportunity of congratulating him there. However, I shall assure my Honourable friend that I will not indulge in an over-congratulatory speech and I will subject the Budget proposals, according to my humble light, to severe criticism and voice forth my opinion on these Budget proposals. My previous utterances in this House also do not show that I was over-congratulatory to the Government side, and that I have always been critical of their measures. Hence he can take my criticism as fairly honest and impartial. Sir, the Budget that has been introduced this year appears to be fairly satisfactory. It is more carefully and more scientifically planned than any of his previous Budgets. The Budgets of the two previous years were framed with the idea of raising as much revenue as possible in order to make up the yawning deficits that had unfortunately been occurring from year to year for the past few years. Hence, Sir, they did not take into consideration the effects that the taxation proposals would produce upon the capacity of the people to pay or their effect on the trade and commerce of this country. Take, for instance, the surcharge of 25 per cent on all and sundry articles. The result has been that the operation of the law of diminishing returns has come in, and there has also been overabundance of protection to some of the industries resulting in a very heavy diminution in the customs revenue. After the experience of the last few years, the Honourable Member has come forward with a well thought-out and well planned Budget. This does not mean that I accept all the proposals that my Honourable friend has put forward, in fact I may frankly say that some of the proposals are bound to be severely criticised, but, Sir, I think on the whole I can congratulate the Finance Member for having produced the present surplus Budget. Now, Sir, though the Finance Member has shown a surplus of 129 lakhs for the current year, yet on an analysis of all the figures it does not show that there is any surplus. This surplus has been brought about on account of many circumstances. In the first instance, according to the Budget of 1933-34, the Finance Member had framed a Budget which, after making a provision of nearly 688 lakhs for the reduction and avoidance of debt, would show a surplus. But on account of a heavy falling off in the customs revenue of five crores of rupees, the surplus which he had anticipated has turned into a deficit. Consequently he has made provision to pay only about three crores of rupees instead of 688 lakhs which he had provided for the payment of reduction and avoidance of debt. Not only that, Sir, but he has been helped by other fortuitous circumstances like the windfall of 178 lakhs being the contribution from His Majesty's Government by way of capital charges and also retention of 88 lakhs of rupees which in the ordinary course of things he ought to have paid as interest on war loan. Even with these fortuitous circumstances, there would still have been a deficit of nearly 2½ crores of rupees. But on account of what I may call manipulation by not paying 388 lakhs towards reduction of debt and also on account of the fortuitous circumstances which I have stated, the deficit Budget has been converted into a surplus of 129 lakhs for the current year.

The Honourable the Finance Member has budgeted for a surplus of a few lakhs of rupees this year also, but that too has been brought about on account of the short provision for the reduction and avoidance of debt

to the extent of three crores and 88 lakhs of rupees. Thus, if you will take the figures for these two years into consideration, there would have been a deficit of nearly eight crores which he ought to have in the ordinary course made good by way of raising fresh taxation, but, on account of these manipulation of figures, he was able to present a balanced Budget. Taking, therefore, all the above circumstances and also the fact that the agricultural prices have not shown any tendency to rise so far, we are not justified in acquiescing in the rosy optimism which the Honourable the Finance Member has presented regarding the conditions of India. We on this side feel that the five per cent cut which was restored last year has been done too prematurely. Further, the Finance Member must not relax his searches for economies both in the civil and military expenditure of this country.

Sir, coming now to the proposals for taxation which have been made in the Budget speech by the Honourable the Finance Member, I shall take first the most important item, namely, sugar, which has been subjected to so much severe criticism by my friend, Mr. Ranga Iyer, who presumes to speak on behalf of the agriculturists of this country. After listening to his speech, it occurred to me that he was not justified in making such severe condemnation of the proposals contained in the Budget speech. He said that the levying of an excise duty was a very bad principle. I do not want to enter into the ethics of these excise duties, but I will take the instance of sugar in particular. The Tariff Board has recommended a protection of Rs. 7-4-0 per cwt., and also a further protection of eight annas per cwt., if the price of Java sugar falls below four rupees cwt. Thus the Tariff Board recommended a full protective duty of Rs. 7-12-0, but this sugar protection has gained an additional protection of Rs. 1-13-0 on account of the surcharge which was unforeseen at the time of the Tariff Board report. Therefore, as a result of this kind of overabundance of protection the sugar industry has grown by leaps and bounds in the country, and within a year or so we will be able to produce sugar sufficient for consumption in this country. Now, the result of this protection has been that the income from customs has fallen from 10 crores in 1930-31 to about two crores of rupees and over budgeted for the year 1934-35. Thus there has been a fall of nearly eight crores. This must be made good in some way or other, and if sugar is left untaxed, then the whole burden would fall on the consumer in some way or other. The proposal of the Finance Member is to impose an excise duty of Rs. 1-5-0 which leaves the full protective duty of Rs. 7-12-0 recommended by the Tariff Board untouched. Hence the producers of sugar cannot grudge this excise duty. This will bring in about 147 lakhs of rupees of revenue to the Government. On account of this protection, many industrialists, who have started sugar cane mills, have profited enormously, and in an indirect way they would be paying income-tax on the profits they have been making. This protection has been responsible also for the importation of machinery, and thus the customs revenue has gained to some extent. My Honourable friend, Mr. Ranga Iyer, was very solicitous about the welfare of agriculturists while opposing the Excise duty. He was talking of the "poor" sugar manufacturer, and at the same time he was evincing sympathy for the agriculturist. He has thus brought the agriculturists and the industrialists in the same category though all the profits that have been made on account of the protective duty have gone into the pockets of the industrialists. Cases have come to light where the cane growers have not received their proper share of price for the cane.

[Mr. T. N. Ramakrishna Reddi.]

In these Budget proposals there is a provision for fixing a minimum rate for the cane growers and empowering the Local Governments to fix that minimum rate. I suggest to the Government of India to fix the irreducible minimum rate here and now, and allow the Local Governments to fix any amounts over and above that to suit local conditions. The reason is this. There are certain provinces which have already developed their sugar industry and they may like to protect that industry and thus may fix a lower rate for the sugar cane in order to protect the sugar industry. That is why I want that the Government of India should fix the minimum rate below which the Local Governments could not go, and that minimum has already been recommended by the Tariff Board. In this connection I am glad to find that the country-made sugar—*khandsari* sugar—has been exempted from the excise duty. This is as it should be. Because most of the cane-growers are also manufacturers of country-made sugar and hence there is no question of hardship to the cane-grower. On the other hand, if this excise duty is levied on country-made sugar that will not be able to stand the competition of the factory-made sugar, because the country-made sugar always commands a lower price in the markets than the factory-made sugar. So I welcome this proposal of the Government of India not to have this excise duty on country-made sugar.

The next proposal is the tax on tobacco. Here, also I happen to agree with the Government. Hitherto there was a lower import duty on the unmanufactured tobacco and a very high duty on cigarettes. The import duty was Rs. 10-10-0 per thousand cigarettes whereas the duty on unmanufactured tobacco was only Rs. 2 per pound. The result was that the manufacturers, instead of importing cigarettes from abroad, established factories in India and imported unmanufactured tobacco and manufactured cigarettes in this country and thus avoided paying customs duty. It was a distinct loss of revenue to the Government.

Mr. N. M. Joshi (Nominated Non-Official): But you get employment.

Mr. T. N. Ramakrishna Reddi: As to that, I am told on reliable authority that employees get only about 17 per cent. and the balance of the profits goes to the pockets of the manufacturers. In the usual course of things this high duty on cigarettes would have helped the Indian manufacturer of cigarettes, but unfortunately, India is not producing in large quantities, the kind of tobacco which is necessary for the manufacture of cigarettes. The result has been a loss of revenue to the Government, and now the proposal is to raise the duty on unmanufactured tobacco to Rs. 2-6-0 and lower the duty on cigarettes. There will thus be an impetus for the importation of large quantities of cigarettes from foreign countries.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Is that good?

Mr. T. N. Ramakrishna Reddi: At least we will get more by way of customs revenue. The factories in India would hereafter use more and more Indian tobacco, and that is an important thing. From all these points of view, I welcome the increased duty on tobacco.

The next is the reduction of duty on silver. I was one of those who opposed the duty on silver when it was imposed three years ago. I said on that occasion that though it would no doubt raise the price of silver,

yet, when the Government, for their own purposes, removed that duty, the price of silver would automatically fall, and silver being the precious possession of the poorer people, the poorer people would suffer enormously. The present proposal is to reduce the duty only to some extent. Here I may congratulate the Finance Member on reducing it only to a little extent. The reduction of the duty by only 2½ annas will encourage the importation of silver which has completely stopped now. At the same time it will not have the effect of lowering the price of silver as it exists at present, as is evident from the fact that the price of silver has not fallen during the last few days since the Budget has been introduced. Therefore, I welcome this reduction of silver duty as it would yield customs revenue.

With regard to hides, coming as I do from the Madras Presidency, I cannot welcome this removal of the duty on hides. There the tanning industry is making rapid progress, and it would be considerably crippled if this export duty on hides is removed. Not only that, but it would encourage larger quantities of hides being exported, with the result that the manufacture of leather goods, which has been making rapid strides in this country, will be hard hit, because there will not be sufficient quantities of leather for manufacture. For these reasons, I do not welcome the removal of the export duty on hides.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member will now conclude.

Mr. T. N. Ramakrishna Reddi: I will conclude very shortly. With regard to the postal and telegraph rates, there has been some reduction, but, as I have given notice of amendments on these under the Finance Bill, I will not dilate upon that subject now.

I will now come to the most controversial matter, namely, the excise duty on matches. I oppose this excise duty on two grounds, one on its own merits, and, secondly, on the reasons which led to the imposition of this duty. The Finance Member has introduced this apple of discord among the various Provinces. He has been very helpful to a prodigal Province, whereas the Province of Madras, from which I come and where they have been starving the development departments, has got to suffer and to pay for the sake of other Provinces. No doubt Bengal has been having deficits for the last two or three years. This deficit period synchronised with the active terrorist movement in Bengal. The deficits are due to various causes. This is due to the large amount of money spent in suppressing the terrorist movement and also it is due to the inelastic permanent revenue settlement that is prevailing there. For these two reasons, other Provinces have been made to suffer. If Bengal has got deficits, it is its own look out to make it good. That is why I oppose it and this match duty is levied just to make up the deficiency in the Central Revenues when it gives half the jute revenue to Bengal. This is in effect levying punitive tax on the whole of India for terrorism in Bengal. On these grounds also I oppose the impost.

Bihar stands on a different footing. The calamity that has overtaken Bihar is a national calamity, and not only India, but the humanity in general must come to its rescue. As a matter of fact, contributions are coming in from other countries also, and it will be bare justice only when the Central Government come to the rescue of Bihar.

The last point which I would simply mention is that the Honourable the Finance Member has not taken as much pains to raise the level of prices in this country as he has taken to balance the Budget. It is a notorious

[Mr. T. N. Ramakrishna Reddi.]

fact that the price of agricultural products has gone down considerably. In 1928, the value of agricultural products in this country was 1,000 crores, but in 1932-33, it has fallen to 523 crores, that is, by nearly 50 per cent. and in this year of grace, it might have fallen considerably less. So I charge the Honourable the Finance Member for not having taken sufficient interest to raise the level of prices. Recently they have been taking some steps in the matter of raising the price of rice which forms 53 per cent. of the staple products of India. It is surprising that no steps have been taken hitherto to raise the price of rice. On the other hand, even though wheat forms only nine per cent. of the value of total products, they are passing legislation after legislation, because it affects the Provinces which are very near the centre of Government. We want that some steps should be taken urgently regarding rice, and, as an earnest of it, I would request the Government to remove the obnoxious export duty that still persists in spite of the fact that, unlike the case of jute, India has to face competitors like Siam and Japan. I would request the Government to devote more and more time to raising the level of prices which is of vital importance to the country than to balance the Budgets.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair would like to give one suggestion to Honourable Members. A great many points covered in the speeches of Honourable Members could be dealt with elaborately at a later stage, for example, when the Sugar Bill or the Finance Bill is taken into consideration. For example, the Honourable Member, Mr. Reddi, was up against time when he touched the general point at the conclusion of his speech. The Chair would, therefore, suggest to Honourable Members that they might devote at least the earlier portion of their speeches to general questions that arise out of the Budget.

Nawab Major Malik Talib Mehdi Khan (North Punjab: Muhammadan): I must congratulate the Honourable the Finance Member for the workable and fairly sound Budget that he has presented to the House. His way was beset with difficulties on account of the economic depression and other such calamities, but he has managed to give us a good Budget. We appreciate very much his help to the quake stricken Bihar and his contribution towards the deficit which exists in Bengal, Bihar and Assam. I do not agree with my friend, Mr. Reddi, when he says that Bengal ought to look after her own interest. It is our duty to help Bengal, if we can afford it and other provinces where similar circumstances prevail.

As regards the other points, I would like to say a few words. I will begin with postage. The new proposal is that for one anna a letter weighing half a tola would go. Originally it was 2½ tolas for five pice. So, I do not think it will be of great relief, because an ordinary letter is more than half a tola. I would recommend one tola instead of half. It would have been still more gratifying if the price of post cards had also been reduced, say, by one pice. We appreciate very much the reduction in the telegraph charges, but the number of words, I am afraid, is small, and if any person is going to take full advantage of it, it would be the business man who has got code words and use other abbreviations. Ordinary people take pride in having long names for which we have to blame ourselves and not the Government. For example, if you take my name and the addresses, they would absorb everything. I remember a time when an ordinary telegram cost four annas, and I know careless persons,

who could not answer their letters promptly, resorted generally to sending a telegram, and even now I think if the charges are reduced to four annas, the Government will not be the loser.

As regards the duty on hides, my friend, Mr. Reddi, does not approve the idea, because it will hit the local leather factories which have been recently started in South India. My reply to it is that they are not taking all the available hides and there is no reason why a person who owns the cattle should not be able to get full value for the hides. My friend, Mr. Ranga Iyer, said that instead of sugar being taxed to prevent overproduction, the zamindars ought to take to growing some other crop, for example, he mentioned wheat. He has not borne in mind that only the other day the Government extended the period of protection of wheat. Even now, notwithstanding that protection, wheat is selling at a rate which does not pay the zamindars. The same is the case with cotton. The zamindars have been growing cotton and wheat very extensively, because these are the two marketable commodities. But when they found that the price of these commodities was not paying, they added sugar cane growing to them. The zamindar, as shown by the Honourable the Finance Member himself, is debarred from taking full advantage of it, because the price of the raw material is so low. His proposal to legislate with a view to giving the Local Governments power to fix the minimum prices for cane is most welcome. But I would not stop at that, and I would like to have similar legislation for wheat and cotton also. I find that some legislation is contemplated to protect textile fabrics in future. I have no objection to it, but I will request the Government to stipulate that the manufacturer uses Indian cotton. If he would do so, our difficulties would be very greatly reduced.

There remains the question of income-tax. As better times are in sight, I would have liked the income-tax level to be again raised to Rs. 2,000. No doubt there would thereby be a deficit, but some other way may be found to meet that deficit thus to relieve the poor persons who hardly earn so much as to be able to pay this tax. With these words, and trusting that the points I have brought forward will be duly considered, I resume my seat.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, I feel I must offer my congratulations to the Honourable the Finance Member for presenting us with a Budget which, I feel sure, complied as it has been in the face of serious and great international trade depression, reflects unbounded credit on him and his staff. I congratulate him mainly because, in my opinion, his Budget, though it displeases some, pleases many: in other words, it is neither a manufacturers' Budget nor a consumers' Budget, nor is it a poor man's Budget or a rich man's Budget,—and since it affects all, it must surely be a very good Budget. (Hear, hear.) Personally, I have very little fault to find with it, but, while congratulating the Finance Member, I feel I must offer him my sympathy, faced as he will be with answering the 120 out motions by my Honourable friend, Mr. Maswood Ahmad. But, Sir, before I deal with the few points I desire to stress, I have an observation to make which I trust will be considered by the Government Benches and yourself also, Mr. President. It is this.

In former years, at the time of the general discussion of the Budget, other Members of Government besides the Finance Member used to reply to criticisms made by Honourable Members. In recent years,

[Sir Henry Gidney.]

however, the practice has been for only the Finance Member to reply. Sir, often, when I have heard him reply, I was reminded of a little story of a man who went to a restaurant to have dinner. After he had some turtle soup, he sent for the head waiter and complained that it could not be turtle soup as he could see no turtle in it. The head waiter said: "If you will look down the menu, Sir, you will find another dish, called 'cabinet pudding'." When you eat that, will you expect to find the Treasury Benches in it? Whenever the Finance Member gets up to reply for Government, it would seem that the Treasury Benches are all embodied in his one person. I would, therefore, suggest for the serious consideration of the Government and the Chair as to whether other Members of the Government might not advantageously be permitted to reply to some of the criticisms made in our speeches; for instance, the Army Member might speak as used to be the practice in the old days when His Excellency the Commander-in-Chief came to this House.

Sir, with this preliminary observation I shall now refer to a few subjects in detail. The first is the Army Estimates. Sir, I am one of those Members who do not believe that the Army should or can be reduced by a single man or a single rifle, but, at the same time, I am one who is convinced that the time has come when the sealed book of the Army must be opened to the Members of this Honourable House. Hitherto, the lamentable ignorance displayed by the Members of this House on Army matters has been astounding, because the Army book has been closed to us. We get our information from newspaper criticisms and what the Army Member cares to tell us, but a knowledge of the inside working has been the secret of a very few. I consider that that book should be opened and that this House should in an increasing measure be taken into the confidence of the Government and the detailed working of the Army should be explained to us, otherwise the charge will always be levied that India is not fit or prepared to take on her own defence. Sir, if England seriously means to give India a chance of administering and controlling her defence, a beginning must be made now; there must be no further delay. Now, two points emerged from our deliberations on the Army at the Joint Parliamentary Committee. One was the necessity of appointing a non-official as Counsellor to His Excellency the Viceroy for defence matters, and the other was the appointment of a Committee analogous to the Committee of Imperial Defence that now sits in England and advises the Cabinet on Army matters. Sir, these are the two points which I desire to emphasise and which should be brought to the notice of the present Joint Parliamentary Committee by the Government. Now, let me take the Army Estimates in greater detail with a view to further economy. If you look at the Army Estimates, you will find that the cost of the administration of the Army—I mean, Army Headquarters, Divisions, Brigades and the lower formations—is just over Rs. two crores or about 1/20th of the entire Army expenditure. I should like to know if any British business firm would exist for a month or two, with such heavy overhead charges as about 1/20th of its total income. There is in my opinion in this direction considerable scope for further economy. I believe I am right in saying that Army Headquarters offices expect six hours work a day from their staffs and, out of this, one hour is taken for lunch, in other words, Army Officers and staff work for about five hours daily, and much less when the Durand

Football Tournament is on. I ask, is it right for any administration to maintain a staff who give five hours work a day? It is wholly wrong, and I submit, if the Commander-in-Chief demanded an eight hours' work per day from his Officers, he would be able to reduce the strength of the staff and so effect considerable economy. I shall not go into details, but if you go to the Army Headquarters offices between the hours of 10 to 1 or 2 to 4, you will see various seats unoccupied at varying intervals. I, therefore, submit that if eight hours' work were given in these offices, considerable economy would be effected.

Then, Sir, there is another way in which further economy can be effected; it relates to the clerical establishment attached to the Army Headquarters. I have in my hand certain information giving me the detailed strength of this clerical establishment. I do not want to weary the House with these details, but, speaking broadly, they disclose two very significant facts. That part of the clerical establishment of the Army Headquarters which goes under the name of the "Indian Unattached List", especially those recruited from the British ranks draw salaries, excluding passage and other allowances, from about Rs. 200 per month to a maximum of Rs. 1,250 per month. This pay is drawn by those who joined before the 28th September, 1931. Those soldier clerks who joined after that date draw the maximum pay of Rs. 1,000 per month. The pay of the civilians, however, has not yet been fixed. My point is this. You have a set of army clerks drawn from the rank and file of the British Army who have not passed the Public Service Commission Examination, but who draw a maximum salary higher than is given even to officials in certain other Departments of the Government. I submit, this is wanton financial extravagance and should be stopped. You should and you can reduce this expenditure without loss of efficiency. I submit that there should be a uniform rate of pay in this Department and there should be one qualifying standard of entrance to this Department.

The next point relates to the military medical services. Sir, on the floor of this House, I have very frequently voiced my opinion on the extravagant cost of maintaining this service. Having once been a member of the I. M. S. myself, I am more familiar with this subject than possibly many other Members, and I can say, without fear of contradiction, that if there is one department of the Army in India where economy can be effected, without any reduction in efficiency, it is the military medical services. Let me analyse it a little closer. I take the R.A.M.C. first. Honourable Members will remember that in 1932 we had a Military Retrenchment Committee on which I sat. It will also be remembered that the Government accepted certain of its recommendations. One of those recommendations was that 49 I. M. S. Officers and 50 R. A. M. C. Officers were to be reduced. Up to date only 26 R. A. M. C. Officers and 43 I. M. S. Officers have been reduced. This is certainly a move in the right direction. My protest has always been that it was not right that the Indian tax-payer should maintain a corps two-thirds of which consisted of Majors drawing salaries of Rs. 1,200 and above per month and who did the work of junior Lieutenants and Captains who would draw much smaller salaries. In this Military Retrenchment Committee I ascertained by cross-examining various army medical officials that 80 to 90 per cent. of the diseases treated in military hospitals were of a minor nature, which, in most other hospitals, were being treated by assistant surgeons. I, therefore, pressed for the

[Lieut.-Colonel Sir Henry Gidney.]

substitution of these highly paid Officers by duly qualified Military Assistant Surgeons. From a study of the Army List, I find, there are 70 Officers in the I. M. D. who possess British qualifications I also understand that orders have been issued—some over a year ago—to officers commanding British Military Hospitals to utilise these I. M. D. Officers, when and where possible, in more responsible professional duties. I regret to say that those orders have—except in a minor degree—not been carried out. Of course, I speak subject to correction, but I do wish, the Army Authorities would realise that here is a solid means by which economy of a good few lakhs could be effected without violation of any Army Policy or loss of efficiency. The same remarks apply to the I. M. S. where we still have a large number of temporary Officers. Why not engage those Officers, i.e., those who are adequately qualified, instead of importing Officers from England on a higher rate of pay?

Sir, I have in my hand the report of the Warren Fisher Committee. That Committee was set up in London last year by the War Office to report on the growing unpopularity of the R. A. M. C. and other allied military medical services of the British Army. It made certain recommendations and I understand those recommendations have been put before the Government of India with a view to their being applied to the I. M. S. I do hope the Army Member will tell this House that the Government of India have rejected its application, because there is not the faintest doubt that such conditions of service are not suitable to a service like the I. M. S.

I now come to another point. First of all, let me say that in the replacement of some senior highly paid R.A.M.C. Officers by British qualified I.M.D. Officers, you will effect an economy of at least six to seven lakhs. There is another branch of the military medical services, called the Queen Alexandra's Military Nursing Service. I have the greatest respect for this body of ladies, and I have no doubt that in times of emergency and acute illness they perform a great work, but their work is mainly supervisory. But why, I ask, when there is this desire to retrench, is it necessary to import into this country hundreds of British nurses when this country is full of well qualified unemployed nurses? Why, I ask, is it necessary to import them into this country on such high salaries, when, in their own country, they only receive a pay of about 70 pounds a year? When they are brought to this country in the Q. A. M. N. Service they get an initial salary of about Rs. 300 per month and more, a salary which is denied to certain junior officers in this country. Surely, the British troops do not want only British nurses about them. The British element in the civil population of this country, when sick, do not want or demand only British nurses about them. In Bombay, we have lots of Parsee nurses; in Bengal, we are getting Bengali ladies to do the work of the nurses in Civil Hospitals, and, in the Punjab, Indian women are doing it. Why not employ these in Indian Military Hospitals. Then, all over India, we have members of the Anglo-Indian and Domiciled European community who have been the pioneers of the nursing service in India—hundreds of these ladies are today unemployed and are seeking work. Why do you want a white nurse to look after a white soldier? Surely, when you are facing death, colour is no consideration. I am sure, the Army cannot deny that the ladies of my community are born nurses. They are better than imported nurses, because they know

the country; they know the language and manners and customs of this country. So, here, too, there is room for economy of a good few lakhs.

Then, Sir, there is another department of the military medical service, called the R.A.M.C. (Ranks). Here you have 500 male nurses who are recruited from the British ranks. They start on a high salary and go up also to a high salary. They are brought out to this country as British male nurses. So, in B. M. Hospitals, you have female nurses as well as male nurses. I cannot understand why the Army Authorities are retaining these 500 men and paying them this large amount when there are numbers of lads of my community who have been educated and trained in the excellent military and other schools in India and on which the Army spends nine lakhs a year. These young men are today roaming the streets for want of food and employment. They are a fine specimen of lads and would be a credit to any army, and yet they are denied this employment. Why do you get soldiers from England for this work and thus deprive the very sons of the soil of honest labour in the army? These young men can be trained in nursing when in school and so fitted for this work? Sir, I offer these three avenues of retrenchment for the consideration of His Excellency the Commander-in-Chief and the Honourable Member in charge of the Army Department. With reference to Anglo-Indian matrons in charge of British Military Family Hospitals, they have to be on duty day in and day out and night in and night out, as slaves work, whereas it takes three British nurses to do this, one Anglo-Indian Matron's work in some Hospitals. I say, it is absolute financial profligacy to indulge in such medical luxuries.

I shall now touch on another important subject, a matter which I stressed when I attended, as a delegate, the Joint Parliamentary Committee. It refers to the public health of this country. If you look through the pages of the Budget report of the Honourable the Finance Member, you will find no mention as regards the health of the country. Every other department is criticised, analysed, divided, added and subtracted, except the Medical.

An Honourable Member: Medical is a transferred subject.

Lieut.-Colonel Sir Henry Gidney: My Honourable friend will forgive me, it is not entirely a transferred subject. The Government of India have a sacred duty to perform as regards the public health of this country. Sir, we are today faced with a Federal Government, at any rate I hope that Federation will take place soon, and, with that Federal Government before us, are we going to be the only country, the only Federal Government, without a Minister of Health and an all-India Public Health Act. Today we are spending little or nothing on public health. In 1919, a Public Health Board was sanctioned by the Government of India. In 1923, the Incheape Committee axed it and in 1932, my Honourable friend, Sir Abdur Rahim, as Chairman of the General Purposes Committee, recommended drastic retrenchments. I do not think that my Honourable friend, Sir Abdur Rahim, was aware of what it meant when he made recommendations calling upon this Department to make retrenchments. I should like to ask the Government of India what would be their responsibilities if, perchance, yellow fever came into this country. You talk about war famine and earthquake devastations. Why, India would be de-populated if yellow fever were introduced into it, and it is just here that a Ministry of Health

[Lieut.-Colonel Sir Henry Gidney.]

and an all India Public Health Act would be of inestimable value, for it would so correlate the Provinces and other international communications, especially with our rapid aeroplane services, that we would be in a better position to cope with any such danger. I go further. Take the article Sir John Megaw recently published on the health of this country; you will find some astounding figures. He states, there are 30 millions of people in this country who suffer from venereal diseases or 10 to 15 per cent. of the population. There are two millions who suffer from tuberculosis, there are six millions who suffer from night-blindness, the result of poor feeding and starvation, rickets accounts for two millions and 50 to 100 millions suffer from malaria and the annual death-rate from fevers is anything up to four millions. Maternity mortality is 50 per thousand and the average duration of life of an Indian is half of what it should be and yet we are presented with a Budget without any mention of this dire necessity regarding an adequate Public Health Department for the future India. Last year, I spoke at length on this matter, but not a Member of the Government took any notice of it and, as far as I know, nothing has been done even in regard to the Public Health Board.

Mr. N. M. Joshi: They do not reply now-a-days.

Lieut.-Colonel Sir Henry Gidney: Government think only about wealth, not health, and yet strange to say, even Honourable Members of Government go on furlough every five years and oftener. It is an appalling state that any civilised Government worthy of the name should allow to exist. In doing so, we have in this respect placed ourselves on a par with the darkest uncivilised spots of Central Africa.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Lieut.-Colonel Sir Henry Gidney: I will, Sir. We are not on a level with the smallest nation in the world as regards public health, and yet Government talk about Federation in this country when, I suppose, they will still have no All-India Public Health Act and no Minister of Health except the present hoch-poch antiquated Department, called "Education, Health and Lands."

There is one other point to which I wish to refer before I sit down. It refers to the tragic condition of unemployment in this country. The Honourable the Finance Member, on page 38 of his Budget Report, refers, by way of comparative criticism, to the state of unemployment in America where 20 millions out of a total population of 120 millions are unemployed. May I tell the Honourable Member that one-third of my community today are unemployed and roaming the streets. I did not have the opportunity when he spoke on the Railway Budget, to rebut the statement made by my Honourable friend, Mr. Amar Nath Dutt. He read out certain names on the list of Traffic Inspectors and he tried on this evidence to show to this House that my community had a great monopoly in the railway services. I say, his effort and statement was a deliberate outrage on truth. (Laughter.) Members sitting on the Opposition Benches may laugh as much as they like but I ask them to refer to the blue books, the published figures of the Railway Department, and they will find that, for the last three

years, no community has suffered retrenchment on the railways so much as the Anglo-Indian community. I state without fear of contradiction that every job today given to an Indian is taken either from an Anglo-Indian or a European. I challenge my Honourable friend, the Member in charge of Railways, to deny this. I challenge Members who laughed just now to deny this.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Because they were not competent.

Lieut.-Colonel Sir Henry Gidney: I repeat that is a travesty of truth, it is an outrage on truth to say my community has the monopoly on the railway services. The Anglo-Indian community is today being slowly but surely ostracised from the railways. But, after all, they possess only 13,350 jobs out of 7,00,000, and are you going to deny my community this small existence in the railways? When you talk of my community monopolising the appointments of Traffic Inspectors, why are you so silent about their absence from the Accounts Department, the clerical, ministerial and other departments? What do you see in these departments? Every name that I see is either a Bengali or Madras. Isn't this a communal monopoly?

Mr. Lalchand Navalrai: Because the Anglo-Indians are incompetent for the Accounts Department.

Lieut.-Colonel Sir Henry Gidney: You are a Sindhi. I do not find the names of Sindhis, because it is they who are an incompetent lot. I tell the House with all respect that my desire is to co-operate with other communities in an equitable percentage of employment, but when an Honourable Member makes a statement such as the one to which I have referred, he does not do himself nor this Honourable House any credit. (Applause).

The Assembly then adjourned for Lunch till Two of the Clock.

The Assembly re-assembled after Lunch at Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. B. Sitaramaraju (Ganjam cum Vizagapatam: Non-Muhammadan Rural): Sir, at a time when any stick may be said to be good enough to beat the Budget proposals of the Honourable the Finance Member, some of my friends on this side of the House have in a hurry taken up the sugar-cane. But, Sir, it will be seen, when we discuss that particular matter on the Bill introduced for that purpose, that the interests of the manufacturers and those of the consumers are not identical. However that may be, within the short time at my disposal, it is not desirable, and, even if it is desirable, it is not possible, that I should enter into any detailed criticisms of the Budget proposals of the Finance Member. As you have remarked, Sir, there may be other occasions at a later stage when we will speak about these matters at greater length. Even in a

[Mr. B. Sitaramaraju.]

general way it is not possible to deal with all the aspects of the very lengthy and very voluminous speech of the Honourable the Finance Member running over 50 pages of closely printed matter, a record of his stewardship, the storm he weathered and the hope he holds out that we will have a brighter future,—the hope of a rosy future on sound principles of finance as so persistently and repeatedly impressed upon us he struggled to maintain in the period of his office. Sir, I should like to recall to the memory of Honourable Members that five years ago we had another Finance Member who also gave us a rosy picture of the future that he left to his successor. His successor, the present holder of the office, no sooner he entered upon his duties and in what he chose to call his maiden speech, even long before the world economic depression invaded the placid shores of India, discovered the necessity of additional taxation to make both ends meet, although, notwithstanding the remission of 2½ crores of provincial contributions given by his predecessor by the process of normal growth of revenue of the Government of India, it was assured that we would find an equilibrium in 1928-29. During the following five years, there have been fresh taxation running in some shape or other into several crores of rupees. Now, there is neither the reduction of the taxation which was once imposed as a temporary measure to meet an emergent situation, nor a promise of such reduction, notwithstanding the fact that there is reduction of interest rates, there have been enormous exports of gold, and we are in receipt of nearly two crores towards our military expenditure. No new sources of revenue have been developed, nor old sources enlarged. The expenditure is far from being reduced and is now forecasted to increase a little over the current Budget estimates. In spite of that we are told that our financial position is sound and our future is bright. And, on what? On the strength of evading the obligation to pay the allotted share towards debt redemption.

Sir, the two main sources of revenue of the Central Government are Income-tax and Customs. They are the pillars of the Central revenue, and both of them have been so roughly handled during the last few years that they are showing unmistakable signs of the earthquake. As the *Statesman* has remarked, fresh pillars have to be built up. Let us not, therefore, delude ourselves into the belief that the successor of the Finance Member will feel happy over his inheritance. If he were to be a popular minister depending upon the goodwill of the elected representatives of the people, if he is called upon to find money for the economic reconstruction of India, so long and so sorely neglected, and to secure a sound financial administration, he cannot find the necessary funds by even the sale of sound economic theories inherited by him. Therefore, the future is on the lap of the Gods.

Under these circumstances of unsound Central finance, the hope that the Central Government should think of embarking on a policy of affording financial relief to the Provinces is nothing short of a scandal. One can even be persuaded to accept the calamity which has overtaken Bihar as a calamity calling for help from the whole country, but to subsidise the inability, if not the incompetence, of the other Provinces to balance their Budgets is a bad precedent.

The Finance Member should not have anticipated what England would or would not do. We wish to mind our own business and we wish that others would mind theirs. Neither His Majesty's Government nor the

British Parliament have any business to interfere in matters of this kind. If only the Government of India were a strong Government, this would not have been even thought of. To penalise Provincial Governments who cherished an overwhelming sense of duty to live within their means is to tempt them from the right path. Take, for instance, Madras. That Province was occasionally penalised for its efficiency. The past provincial contributions were assessed on the basis of its inability to spend extravagantly. The Government of Madras, if it is living within bounds,—do you know at what cost?—has balanced its budget, it is true, but by denying money towards rural water supply, education, sanitation, and so forth, to make both ends meet. I would advise the Government of Madras not to deny expenditure of this kind which contributes to the amenities and necessities of life, for here is the Government of India to come to their rescue at the expense of Provinces which are foolish enough to make both ends meet. Divide and rule is the traditional policy of Government, and this is in accordance with that tradition. After all, these are to be met from anticipations budgeted for, but the antecedents of the Government of India Budget anticipations are such that these calculations may after all prove unreal. After all, these are to be met from artificially created surpluses, but the Budget anticipations of the Government of India are such that their calculations will eventually be found to be as unreal as previous expectations. All that will be left will be not these surpluses, but perhaps a quarrel among ourselves. Therefore, I would appeal to Honourable representatives of Provinces, who are the recipients in these transactions, to consider that Provinces which are favoured today may be the victims tomorrow if this vicious principle were once agreed to.

I have not without sufficient justification ventured to take less seriously these estimates and estimated surpluses than I would ordinarily have done. Even taking the years 1927-28, 1928-29, 1929-30, 1930-31—years before we could be said to suffer the repercussions of the world depression—what do we find? In 1927-28, over two crores had to be withdrawn from the Revenue Reserve Fund contrary to forecasts, to make both ends meet. In 1928-29 the next year, we found the Revenue Reserve Fund completely wiped off, and the actual results showed a deficit of 106 lakhs instead of the 30 lakhs budgeted for. In 1929-30, notwithstanding increased returns of 30 lakhs from Income-tax, there was a further deficit of 156 lakhs but for a sudden windfall by payment of the exact sum from the German Liquidation Account under the Treaty of Versailles. 1930-31, the year before the depression, found a gap of Rs. 4½ crores between revenue and expenditure, and new taxes to the tune of five crores were imposed. 1931-32 and 1932-33 saw heavy taxation by which a surplus of over 215 lakhs for 1932-33 and a surplus of 523 lakhs were actually promised. These estimates were not prepared under the unforeseen economic depression, but in the midst of its effect. Far from having heavy surpluses, we are now faced with further taxation. Comment on the accuracy or reasonable accuracy of these estimates is needless. Estimates are the corner stone of every financial system, and the extent, to which the anticipations correspond to the actual events, is the measure of competence of the finance officers and the efficiency of the system as a whole.

The Indian financial year begins curiously with the 1st of April. The highly speculative character is further emphasised as they have by this

[Mr. B. Sitaramaraju.]

reason got to be prepared in ignorance of all important factors. Notwithstanding the recommendations of the Welby, and, later, the Chamberlain Commissions, the unreality of the whole show is allowed to continue. Therefore, importance need not be paid to the highly speculative value of these estimates.

It is not my purpose to deal at any length with the expenditure side, because we will get another opportunity at a later stage, to do it. But this much I do say. A great deal has been said about the fundamental principles of sound finance. Still I am fairly puzzled why there is less evidence of these basic principles in the actions of the Government. Take, for instance, the tax policy underlying the proposals made by the Finance Member either now or since he assumed office. A sound tax policy must take into consideration three factors, accepted by the world from Adam Smith to the latest expert:

- (1) It must lessen, so far as possible, the burden of taxation on those least able to bear it.
- (2) It must remove influences which retard steady development of business and industry.
- (3) Permanent tax system should be designed not for one or two years, nor for the effect it has on any given class of taxpayers, but should be worked out with regard to conditions over a long period and with a view to its ultimate effect on the prosperity of the country as a whole.

Any policy of taxation which ignores these fundamental principles, will prove merely a make-shift not based upon real economic principles, but may be on political or other considerations.

Judged by these standards, I venture to submit that neither the policy underlying the present proposals, nor the policy underlying the taxation levied by the Finance Member a few years ago, represented to be a temporary expedient to meet an emergent situation, but since then found to be a permanent feature, can satisfy the fundamental principles underlying a sound taxation policy.

Even before the world depression invaded the placid shores of India, notwithstanding the rosy picture of the future painted by his distinguished predecessor, Sir Basil Blackett, Sir George Schuster saw the need for taxation as I said. He assured us that whatever was to be done would be done in a way most beneficial to this country's best interests. Unfortunately the taxes he imposed and the policy underlying them—whatever it was—was anything but that which could satisfy even principles underlying sound taxation policy or one by any stretch of imagination calculated to be in the country's best interests. Were these taxes designed to lessen the burden on those least able to bear it? Was the tax on machinery calculated to promote industries in this country? When the poor man's salt and kerosene, the *panwalla's* income, the petty clerk's pay, the princely official's salary, the poor man's labour and the rich man's industry were all alike and evenly taxed, what were those sound economic principles underlying the imposition? I do not for a moment wish to convey the idea that, even when there is need, we should have no taxation. But taxation should not be taken as a means of rewarding

one class of tax-payers or punishing another or designed to stifle industry and business in this country. Take, for instance, the proposal regarding raw hides: the abolition of export duty on this article will wipe out the tanning industry of the South which has been brought to a high level of development. When such a view controls the financial administration of the country, the interests of the country are ill-served. I need not refer to the very first maxim of Adam Smith, in his book, the "Wealth of Nations", to emphasise the need for the taxation policy of the Government of India to be based on more rational lines and in proportion to the respective abilities of the subjects and in the best interests of the country's economic welfare.

With regard to surtax, I wish to read the following from Andrew Mellon's "Taxation, the People's Business." He says:

"It seems difficult for some to understand that high rates of taxation do not necessarily mean large revenue to the Government, and that more revenue may often be obtained by lower rates. . . . Does any one question that Mr. Ford has made more money by reducing the price of his car and increasing his sales than he would have made by maintaining a high price and a greater profit per car, but selling less cars? The Government is just a business and can and should be run on business principles.

Experience has shown that the present high rates of surtax are bringing in each year progressively less revenue to the Government. This means that the price is too high to the large taxpayer and he is avoiding a taxable income by the many ways which are available to him. What rates will bring in the largest revenue to the Government experience has not yet developed, but it is estimated that by cutting the surtaxes in half, the Government, when the full effect of the reduction is felt, will receive more revenue from the owners of large incomes at the lower rates of tax than it would have received at the higher rates. . . .

Where these high surtaxes do bear, is not on the man who has acquired and holds available wealth, but on the man who, through his own initiative, is making wealth. The idle man is relieved; the producer is penalized. We violate the fourth maxim. We do not reach the people in proportion to their ability to pay and we destroy the initiative which produces the wealth in which the whole country should share, and which is the source of revenue to the Government."

Again, regarding the lowering of income-tax, one would like to ask whether the revenue, deducting the increased establishment charges, was sufficient to justify the reversal of a deliberate policy to exempt the labour of petty traders.

With regard to the postal rates, I would respectfully invite Honourable Members to take half a tola weight, a pair of scales and weigh the correspondence they usually have, and then they will realise what the effect of the present modifications will be. Two years ago, speaking about these postal rates, I pleaded that we should go back to half an anna for half a tola, and one anna for one tola and to the one pice postcard. Although the present proposals tend slightly in that direction, it is very painful for us to see that the Government have not realised the fundamental principle underlying postal service. The fundamental principle is that the postal service is a public utility service and should not be viewed merely as a source of revenue. When we refused the five pice rates, the mighty reserve power of the Government was used as if the tranquillity, peace and good government of the country depended upon the five pice rate and the three pice card. But today we are going back to the four pice rate, and it is very refreshing to find that the peace and tranquillity and good government of the country is not disturbed nevertheless.

Mr. President: (The Honourable Sir Shanmukham Chetty): The Honourable Member has two minutes more.

Mr. B. Sitaramaraju: Sir, I do not wish to say more about matches, etc., now. Sir George Schuster would resent any suggestion that the Government of India have been drifting. I do not suggest that there is any drift. In order to drift, the Government of India must have cut away from their moorings. We have no evidence to show that they have cut away. They may flatter themselves that they have been following the traditional policy of sound finance, and, that being so, that they were helping to create the safest conditions in which their traders and manufacturers could do their business. We cannot prevent them from holding any exaggerated opinion of themselves, but students of Indian financial history, from the time of the East India Company, have thought otherwise. Comparison has been sought with Japan's recent financial policy. No doubt, Sir George is a better judge than myself, but he must admit that the Japanese are, after all, the best judges. 200 years ago, Japan was no where, and this country was the centre of Asiatic civilisation. Within the last 200 years, Japan, the arbiter of her fate, has fought Europe with her weapons, poached her preserves and held the proudest position in the East. Her success in every field of activity roused the envy of the world. Today she is beset by angry world powers. Under the circumstances, I would, if I were a Japanese, borrow twice the amount and thank my stars, I have credit to raise that amount for my country's existence as a nation.

Mr. N. M. Dumasia (Bombay City: Non-Muhammadan Urban): Mr. President, I was one of those who was opposed to the iniquitous imposition of the excise duty on cotton, and in the second Assembly I fought hard and with success for its removal. I am well aware that a duty on production becomes a capital levy when the concerns show a loss. But we are now living in exceptional times and abnormal conditions, and I was thinking of acquiescing in the proposal of the Finance Member to impose an excise duty on sugar. The powerful speech of my Honourable friend, Mr. Ranga Iyer, has, however, thrown me in doubt, but considering the fact that the money has to be found to keep the wheels of Government machinery going, I propose to keep an open mind and vote for or against the proposal after hearing all the pros and cons of the question.

Sir, the calamity that has befallen Bihar is unprecedented in the annals of Indian history. It is in no way less serious than that befell European countries during the Great War. At that time, India valiantly stood by England, and, besides provision in men and munitions, made a gift of one hundred million pounds to England. We do not want England to make a gift to India, but England will only be discharging her obligation to India if she gave a loan of one hundred million pounds to India at a nominal rate of interest in this time of her crisis. Thanks to India and Indian gold.—England has again captured her premier position in the financial world, and I would ask the Government to approach His Majesty's Government for coming to the rescue of India by giving her a large loan at a nominal rate of interest, or, if possible, without interest.

Sir, the speech of the Honourable the Finance Member bears all the marks of great ability, and there is a deep note of sympathy with the sufferers of our brethren in the Province of Bihar, but I believe that the Province deserves much more generous treatment than is accorded to it. If the Government resources do not permit of giving the fullest relief, then I would suggest that a lottery should be permitted for the relief and construction of the Province.

Sir, Honourable Members in this House are accustomed to ask for this or that right or privilege for their communities or their constituencies. I do not propose to essay that fruitless task for my community or my constituency, for I am convinced that say and do what you like, it is not likely to change the step-motherly interest of the Government in the Bombay Presidency until the ill-fated words "too late" are stamped on it. The Bombay Presidency has, since the inauguration of the Morley-Minto reforms, not been represented in the Government of India, and hence its apathy to the interest of Bombay. . . .

An Honourable Member: We had Sir James Crerar as Home Member.

Mr. N. M. Dumasia: I am talking of Indian Members.

Another Honourable Member: We had Sir Dinshaw Mullah as our Law Member.

Mr. N. M. Dumasia: Sir, the Meston Award has inflicted a grievous injury on my Presidency, but it fades into insignificance before a new menace that has overtaken it in the shape of diversion of its trade to Kathiawar ports. The commerce and trade of Bombay is in the grip of death. Its textile industry is paralysed, and if Government do not take immediate and effective steps to ward off this new danger, it will encompass the ruin of Bombay, and, if Bombay is doomed, who will survive? I know that Bhavnagar enjoys the rights and privileges of a free British Port under its treaty. The question is complicated, but I do not think that the Government are so devoid of diplomatic means as not to find a way to save Bombay and British Indian revenue. The import duty on foreign cotton has only gone to swell the coffers of the Bhavnagar Government, and Government should consider whether it is not feasible to levy that duty at the centre of consumption. I appeal to the Honourable the Finance Member to treat the question of this diversion of trade from Bombay as an urgent issue of life and death to the prosperity of Bombay, and the Presidency as a whole.

The Honourable the Finance Member in his able speech remarks:

"It would scarcely be advantageous if all these nations could co-operate in some permanent organisation for the furtherance of this purpose. But if India is to obtain benefit in this way, it needs a broad-minded outlook, for, as I have already pointed out, no country can hope to sell more to others unless it is ready to buy more from them."

I can assure the Honourable the Finance Member that India has always done that, and the prosperity of Lancashire in the past was in no small degree due to the fact of India being one of the important consumers of her manufactures.

Then, again, the Honourable the Finance Member remarks:

"The efforts now being made by the Lancashire interests to increase their power to absorb Indian cotton is of welcome significance as a sign of British appreciation of the truth."

Let me say, this appreciation has come too late, but better late than never, and I hope that the patriotic efforts of my friend, Mr. Mody, will result in a substantial benefit to India and justify his action which has brought upon him a shower of abuse from those who claim to own the monopoly of wisdom and patriotism.

[Mr. N. M. Dumasia.]

Sir, in the last sentence of his noble peroration, the Finance Member talks of the place of India in the British Commonwealth of Nations. Now, what is that place? So far, India has been treated as a handmaid of the dominions. Give us the equality of status, and India will not fail to respond to the call of duty as a dominion partner in the Empire.

Then, again, Sir, the Honourable the Finance Member says that he knew that "many Honourable Members feel that 'an immediate relaxation of these burdens might itself stimulate recovery' ". Sir, I am one of those Members who do think that a reduction of taxation will give a stimulus to recovery, and that recovery will be impeded so long as these heavy burdens continue. Since the establishment of British rule in India, there has been no precedent of such a heavy taxation. These burdens are telling very heavily upon the people and retarding recovery, and, unless relief is given to the tax-payer, this recovery will be delayed and impeded. I agree with one of the previous speakers that, the limit of taxable income should be raised to Rs. 2,000. Whatever may be the merits of this and future Budgets, unless there is a restoration of the cut in salaries and unless there is relief in the burden of taxation, these Budgets, in spite of all their merits, will be considered as absolutely rotten Budgets.

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): I want to take this opportunity of Budget discussion to place certain facts before this House about the unhappy financial position of my own Province, Assam, and to indicate how our Province has been a victim of gross financial injustice at the hands of the Government of India.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): In spite of Mr. Gopika Romon Roy?

Mr. Abdul Matin Chaudhury: Honourable Members will have some idea of the deplorable financial position of Assam when I tell them that, with an income of less than two crores of rupees, an income which is about two-thirds of the income of the Calcutta Corporation or the Municipality of Bombay, the Assam Government is called upon to administer a territory 66,000 square miles in area. In the last year, the Budget estimate showed an income of Rs. 1.94 lakhs and there was a deficit of Rs. 40 lakhs. This year, with an income of Rs. 1.96 lakhs, there is an estimated deficit of about Rs. 60 lakhs. The Assam Government have exhausted all their balances long ago that were with the Government of India, and for the last few years they have been over-drawing from the Provincial Loans Fund, besides borrowing for road development from the Government of India. If by this Honourable Members get the impression that the Government of India are helping Assam in her hour of distress, they will be forming an entirely erroneous impression. The story is the other way about. While Assam is desperately struggling with her finance, the Government of India take away Rs. 1.25 lakhs from Assam as the excise duty on oil produced in that Province. It is against this misappropriation—I deliberately use the word "misappropriation"—by the Government of India of the money that legitimately belongs to our Province that I want to lodge a protest before the bar of this Honourable House.

Our Province is very rich in natural resources. God has been bountiful in His gifts, but, under an unjust system of allocation, we are prevented from deriving any benefit therefrom. In the year 1932, Assam produced

12 million gallons of petrol and 23 million gallons of kerosene. Naturally we expect to derive some benefit from the product of our soil. Our mineral resources are depleted to the extent of crores of rupees, but what do we get in return? Only a paltry sum of Rs. four lakhs as royalty, while the Government of India take away Rs. 1.25 lakhs as excise on that petrol. This Rs. 1.25 lakhs represents more than 50 per cent. of the revenue raised within the Province, and, if you take into account the money taken by way of income-tax, about 70 per cent of the revenue raised within the Province is taken away by the Centre.

An Honourable Member: That we all do.

Mr. Abdul Matin Chaudhury: Not necessarily. From the United Provinces they take only 22 per cent of the revenue that is raised within the Province: from the Punjab they take only eight per cent. There is only one objection that is usually raised against this excise duty being restored to Assam. It is said that it is a tax on consumption, and so the Province of production has no claim to that. The Assam Legislative Council had submitted a memorandum to the Joint Parliamentary Committee in which they very ably rebutted this argument. I should like to read an extract from that memorandum in reply to this criticism against the restoration of the duty to our Province. This is what they said:

"If this argument were of compelling force, no province would be able to call its land its own. A province which produced jute, or rice or cotton, would have to share its land revenue with every province consuming any part of the crop, on the ground that the land revenue necessarily entered into the sale price of the crop and was ultimately borne by the consumer. Royalties on coal or mica or oil would have to share the same fate; instead of being credited to the province of production, they would have to be rateably distributed amongst the provinces of consumption. We need hardly repeat that the surrender to Bengal of half the jute export duty implies a considerable abandonment of the principle on which this objection is founded."

So much for the argument for and against this tax being restored to Assam. I think many Honourable Members in this House remember Sir Michael Keane. He was an Official Member of this House, and a very popular Member. His friends in this Assembly will be interested to hear that he has earned a well-desired popularity in the Province of Assam by identifying himself with the interests of that Province and very vigorously championing her cause. But all his efforts in this respect have been unavailing. The Government of India have not only misappropriated our revenue, but they have muzzled our protests also. When shiploads of delegates were sent to the Third Round Table Conference and the Joint Parliamentary Committee, the Government of India refused to send one single delegate from Assam, either Official or Non-Official, and that for reasons which are fairly obvious. Bengal was agitating for her share in the jute duty, and, through the influential pressure of Sir John Anderson and the able advocacy of distinguished men like Sir Nripendra Nath Sircar, Mr. Ghuznavi, Sir Provash Chunder Mitter and Sir Edward Benthall, Bengal's share in the jute duty was recognised. Assam's case for petrol stood on equally unassailable grounds; but, Sir, the Government of India, aware of the weakness of their own case, resorted to the expedient of shutting out Assam delegation from the Round Table Conference and the Joint Parliamentary Committee. The Assam Legislative Council, finding that all avenues of approach to the higher authorities were blocked by the Government of India, sent a memorandum to the Joint Parliamentary Committee through the President of the Council. Sir Michael Keane very

[Mr. Abdul Matin Chaudhury.]

strongly protested against this unjust treatment of Assam. I shall read, from his speech to the Assam Legislative Council, an extract, not because it expresses the official view point, but because Sir Micheal Keane echoed the sentiment of all Assamese, irrespective of caste, creed or community. This is a question on which Assam feels very keenly, and every section of the community, whether it be planter, European, Indian or professional man, are all unanimous in their demand for the restoration of this duty to Assam. I should like to read an extract from the speech of Sir Michael Keane which he delivered before the Assam Legislative Council. This is what he said in this connection:

"One source of revenue there is to which we have turned our eyes hopefully and which in all sincerity we believe to be justly ours. In these days of mechanical transport, those countries that possess oil within their territories deem themselves fortunate in possessing such a reservoir of wealth and fortunate those countries indeed are. They can freely use the providential riches of their soil for the public good. Not so Assam. This province is one of the oil producing countries. Last year, Assam produced 12 million gallons of petrol and 23 million gallons of kerosene. This great outturn taken from the capital store of the province—a store that once taken cannot be replaced, an outturn exhausting steadily the capital wealth of the province—paid about 1½ crores of duties last year. Incredible as it may seem, this province, harassed with poverty, living from hand to mouth, unable to balance its budgets, too poor to have a High Court of its own, a University or Training Colleges of its own, a single hospital for women through the length and breadth of the land, still is unable to touch a single anna of that 1½ crores but contributes the whole of it to the Government of India. Truly, the sheep grow the wool but others wear the warm clothing."

—Sir Michael Keane might have added: "Assam produces the oil, but it lubricates the machinery of the Government of India"—

"The people of Assam find it difficult to acquiesce in the justice of this arrangement. We have made every effort to get our case represented before an outside disinterested tribunal. We prayed for representation in the Third Round Table Conference but failed. We begged for a representative either with or before the Joint Select Committee but were again disappointed. We have seen Sir Nripendra Nath Sircar, Advocate General of Bengal, cross-examine witnesses before the Joint Select Committee in the manner of an advocate for the province of Bengal. We have seen Bengal win their claim to the jute excise duties. All such opportunities have been denied to the weaker province of Assam. If we were permitted to share in this wealth produced from the oil of our own province, we should not have been driven, as we are driven now, to close down every normal activity, every sign of life, and go begging for money to meet the barest necessities of modern standards of civic existence. It is true that it has been recognised now that Assam must receive a subvention but what we still maintain is that our claim is for justice, not charity."

If Sir Michael Keane has spoken strongly, it is because we in Assam feel very bitter about this misappropriation of our revenue by the Government of India. We feel very much depressed when we look at the present financial position of our Province and think of her still gloomier future. The Simon Commission found Assam the least developed of all the Governors' Provinces. We have got millions of acres of fertile uncultivated land, and, in the over-populated districts of Bengal, there are hundreds and thousands of emigrants who are willing to go over to Assam and settle there, but we have got no money to colonise them, and money is required for colonisation. Then, again, we have got no university and we look enviously at the United Provinces, which can afford as many as five. We have got no High Court and we depend upon the Calcutta High Court for the administration of our justice. We have got no Training College for our teachers, and no Medical College. The Assam Government

constructed a building for medical school in Sylhet and they last year converted it into a Government office, because there was no money to run even a small medical school. Then, again, while, in our neighbouring Province of Bengal, there is one dispensary for every 71 square miles of area, we have got one in every 216 square miles. As regards communications, Madras has got 151 miles of road for every thousand square miles and we have got only 10½. Every branch of administration is stunted, is undeveloped and crippled. Still, when faced with this deficit, the Assam Government ruthlessly cut down its expenditure, and, in a Budget of two crores, effected a saving of 51 lakhs of rupees, and what remains now in Assam is not a civilised Government providing for the moral and material well-being of its people, but merely a skeleton of administration which is unable to cater even for the barest requirements of civil existence, as Sir Michael Keane has rightly put it. It is very sad to contemplate that this position is not due to any fault of ours. Providence has been bountiful in its gifts to Assam, but, under the unkind dispensation of the Government of India, we are deprived of getting any benefit from them. We find that Bombay and Punjab have balanced their Budget. Bengal has secured her share of the jute duty and they have started an Economic Board for the development of their Province. The United Provinces has her five year plan, and, in Madras, last year, the only problem was, so far as I could find it, how to utilise her huge surplus. We alone are in the morass of despondency. We too could have looked hopefully to the future only if we were not victimised by this depredation of the Government of India. We do not ask for doles or for subvention. What we demand is "give back to us what is ours". I would appeal to Sir George Schuster, with all the earnestness that I can command, to undo the wrong that has been perpetrated on Assam. He has put Bengal on her feet. But Bengal was merely limping. Out of a revenue of eight crores, she had a deficit of two crores. We have got a deficit of 60 lakhs out of a revenue of 1.96 lakhs. Assam is absolutely maimed and crippled, and we hope that this wail from Assam will not go in vain.

Dr. R. D. Dalal (Nominated Non-Official): Mr. President, a reference to paragraph 57 of the Honourable the Finance Member's interesting Budget speech will show that the Honourable the Finance Member is keen, not only on the financial health of India, but also on the physical well-being of the people of this country. So, Sir, with your permission, I wish to avail myself of this opportunity to bring to the notice of the Honourable the Finance Member and of this Honourable House certain aspects of public health in India.

At the outset, I would point out that the health problem and its relationship to the economic question is one which can only be dealt with by the Government of India. It affects the whole population of India, and it is impossible to take refuge in the excuse that medicine and public health are purely provincial matters. Sir, Health is a primary fundamental essential of the community, and everything else must be secondary to it. I am perfectly certain that the House will realise that money spent on eliminating disease is money well spent in the national interest. I am sure the House will agree that every time a child, adolescent, or adult, male or female, dies prematurely, there is a waste of money—money spent on bringing up that child or adult. It is not only a waste of money actually spent, but also there is the loss of a productive unit. It is universally recognised that the greatest capital of a country is its

[Dr. R. D. Dalal.]

human capital. Now, Sir, the suggestions I desire to submit to this Honourable House are directed solely to the one object in view, namely, the promotion of the health of the people of India as a whole. With that object in view, I suggest the setting up and establishment of a Ministry of Health. The functions of the Ministry of Health would be of an advisory and co-ordinating nature. This body will stimulate and advise the Provincial Governments, and will promote co-ordination of their efforts. The Ministry of Health will be able to improve the machinery of the Central and Provincial Governments in relation to public health, to amalgamate overlapping or incomplete agencies—Central or Provincial, and thus to simplify the stages through which proposals for reform need to pass. With this must be associated greater driving power in the machinery, temptations to inertia being removed and monetary inducements to better work rendered available. All this is dependent on public opinion, including willingness to pay for what is required. I would suggest that a small beginning should at first be made, and when experience has been gained as to the working of the Ministry of Health, the desirability of further expansion will become obvious. I would suggest that as a beginning four sections of the Ministry of Health ought to be provided, namely:

- (1) Central Public Health Organisation;
- (2) Medical Education Section;
- (3) Medical Research Section; and
- (4) Health Education and Propaganda Section.

Now, Sir, with your permission, I wish to say just one word in respect of each of these four sections.

(1) *Central Public Health Organisation*.—The staff of the Public Health Commissioner should be strengthened to a considerable extent to enable this section to deal adequately with the duties of securing co-ordination between the provincial organisations, and of acting as an adviser to them, and of carrying out international obligations in respect of international health matters. I would suggest that in future the Public Health Commissioner should be designated Director-General of Health, who should control all central health activities.

(2) *Medical Education Section*.—This section will enable the Government of India to implement their responsibilities in connection with the training of doctors, public health workers, dentists, and nurses. It would also control the Indian Medical Council and the All-India Institute of Hygiene and Public Health.

(3) *Medical Research Section*.—The Indian Research Fund Association has already in progress researches on nutrition, plague, cholera, malaria, leprosy, rabies, maternity and child welfare and such other subjects. These research workers will serve as technical advisers to the Ministry of Health in their own subjects.

(4) *Health Education and Propaganda Section*.—This section will collect, tabulate, and make available all information in relation to epidemics and other public health matters in the form of bulletins. It will also issue authoritative pronouncements in regard to disease and prevention of disease in the form of pamphlets to various international health organisations. It will work in close association with the Department of Education, and

such voluntary agencies as the Indian Red Cross Society, Leprosy Relief Association, and King George Anti-Tuberculosis Fund Association.

As a preliminary to the establishment of a Ministry of Health, the value of a Central Public Health Board cannot be over-estimated. The functions of that Board would be purely deliberative. It would concern itself with the international aspects of public health, and with the co-ordination of public health matters as between the different provinces. The meetings of the Central Public Health Board would take the form of Conferences at which public health questions would be discussed. I am sure that nothing but good and a great deal of good will come from the establishment of a Central Public Health Board.

Now, Sir, let us examine for a moment the vital statistics for the whole of India. By India I mean British India. The figures for the calendar year 1931 are available. In 1931, the birth-rate per one thousand of population was 34.8 as against 15.8 in England and Wales. The death-rate was 24.9 as against 12.5 in England and Wales. The infant mortality per one thousand live births was 179 as against 66 in England and Wales. In India, the average expectation of life at birth is only 25 as against 58 in England and Wales. From the figures I have just quoted we can infer that sickness rates in India must be several times higher than those in England and Wales.

Having given the House an idea as to the vital statistics for India,

3 P. M. I shall now proceed to discuss very briefly the relationship of the health problem and population problem to the economic question. Sir, despite the appalling and deplorably excessive mortality, owing to the high birth-rate and the subsidence of plague and the absence of any great pandemics such as influenza, the population of India has increased by 34 millions during the last decennium ended 1931. This increase in population has a very definite bearing on the economic question. If the implications of this increase in population are properly realised, it will at once be seen that India is faced with a grave emergency. Therefore, it behoves us to sink all our differences and to awake to the fact that our country is in imminent danger. Sir, the health problems cannot be solved with any prospect of success by public health experts and the Public Health Department alone unless co-operation of other Departments of Government, above all, co-operation of the general public is secured. Let us reflect for a moment what would happen if the Medical and Public Health side of the problem were solved with complete success, while the other aspects of the situation were left untouched. If we succeed in reducing infant mortality and if we succeed in abolishing preventable disease, the population would double itself in a generation. It is easy to imagine the consequences that would follow from a sudden upsetting of Nature's balance without applying the counterpoise in the shape of increased production of food, lowering of birth rate, celibacy, delayed marriage, war, pestilence, famine, etc. If such a counterpoise be not applied, what will happen? The population will go on increasing, but the production of the necessities of life will not keep pace with the growth of the population. So there will be a steady deterioration in the state of the nutrition of the people. What is more, there will also be a steady deterioration in the financial situation of the country, because, a population, which is carrying on a desperate struggle for bare existence, cannot possibly provide the revenues, which are necessary for a progressive administration. Then, what is the remedy? To my mind, the imperative necessity of

[Dr. R. D. Dalal.]

taking stock of the existing position is at once indicated. I am aware that two economic experts from England are at present examining the economic position. But, Sir, I would strongly urge the immediate necessity for appointing a strong Commission for the purpose of making a thorough inquiry and investigation into all the factors influencing health so as to be able to pave the way for a permanent and practical scheme of economic uplift. The Commission should consist of picked men with special knowledge of medical relief, public health, finance, economics, education, agriculture, industry, and sociology; also of a few educated women and leaders of public opinion; also of a few outstanding men from England, where conspicuous success has already been achieved in raising the standards of health and economic welfare of the people. In this connection, the International aspect of the question cannot possibly be ignored. India is regarded by other countries as the great world reservoir of cholera and plague, and, therefore, as a menace to the health of the rest of the world. So it is very desirable that the Government of India should show that a serious study is being made of the public health situation.

Now, Sir, in conclusion, let me impress upon the House that the idea that a public health organisation can be summarily scrapped and then recreated at a moment's notice without influencing the orderly progress and advance of general health measures is an erroneous one. To me it seems that the great hope of the future of public health in India must lie in a development of health education and in an appreciation by the educated population of the value of public health and so the creation of a public health conscience. If we are sincerely anxious to promote the health of the people of India in a rational, comprehensive, sensible, and adequate way, I submit that my suggestions are vital, essential and powerful instruments, and, on that ground, I earnestly, with all the emphasis at my command, commend these suggestions, namely, the establishment of a Ministry of Health, the formation of a Central Public Health Board, and the appointment of a Commission to investigate into all the factors influencing health to the favourable consideration of the Honourable the Finance Member. Sir, during the last five years the warm tribute, paid to the Honourable Sir George Schuster from time to time by Member after Member, is an honest measure of the regard in which India holds the present Finance Member, and I need hardly add that the sympathetic treatment of the suggestions I have just brought to his notice will earn for him the commendations and gratitude of all India.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Mr. President, I am extremely grateful to you for giving me this opportunity to take part in the general discussion of the Government of India Budget. One does not feel very strong living in the most unhealthy surroundings of this Indian Capital, but still I should like to utilise my 20 minutes anyhow. From the general reading of the very elaborate scheme of the Budget, which has been presented for the consideration of this Assembly by our friend, the Finance Member, I, for one, representing an elected constituency from Eastern Bengal, cannot have any grouse. As a matter of fact, if I am allowed, I should like to pay my encomium for the services that the Finance Member, who is soon retiring, has rendered to this country in his endeavour to put our finances on sound lines. It is very difficult to talk of anything which is not liked by the so-called popular side, but, after all is said and done, I think we shall have to face the

stern reality, that unless and until we do follow a safer and surer method of sound finance, I am afraid, this is my humble opinion, Indian conditions will not conduce to anything better.

From the perusal of the excellent brochure of the Honourable the Finance Member in which he has discussed all aspects of his incomes and expenditure, I should like to say this much that if this country ever follows or tries to emulate the circumstances and the conditions of Japan, or, for the matter of that, the United States of America, I can assure you, Mr. President, as you are an expert in these matters, that our solution will not lie in that direction. If you will take yourself for a second, Mr. President, to the land of the rising sun, you will surely find the difference between that country and ours. Imagine for how long the Japanese people have been dabbling and experimenting in these matters of finance. Every student of history in India who has kept his eyes open must have noticed that the Japanese have been able to experiment, because they are a united, homogeneous and experienced nation. We cannot afford to make costly experiments. Mr. President, they have got to consider very seriously what is the position of the Japanese people in California, or, for that matter, in the Kingdom of Manchuko on the borders of Russia. They can afford to do that. They are a big nation. So, I think this will be my sufficient answer to those critics of the Finance Member who want him to embark on the so-called luxury of borrowing, and borrowing not knowing really where it will lead to. Secondly, I think certain friends on the right will wax eloquent on the question of raising the price level by any means you possibly can get hold of. They may also say: "Why don't you emulate the conditions of the United States of America?" You know, Mr. President, in what way can we compare ourselves in any matter so far as that wonderful country is concerned. As a matter of fact, in these very important times of our history, when we are going to have a very important experiment on right lines of constitutional advancement, if you set an example of borrowing and pledging your posterity consisting of the dumb millions of the future, I do not know how far we shall be justified in lending a helping hand or encouragement in that direction. My personal conviction is, Mr. President, that we should discourage that proclivity most ruthlessly. I think that some of my Honourable friends like my friend, Mr. Mahapatra, who is so very solicitous of the peasantry of the country, will come out with their pet theories of devaluating the rupee. By all means let there be a change in the price of our agricultural produce like rice and other things, because I myself have been very much hit by the lowering down of the price of the rice. I know what will be the consequence if by some artificial means the price of rice is allowed to go up. That is not the only thing which the peasant has to face. If a few silver pieces come into the household of the peasant, he will have to look round how far those go to meet his needs. What I submit is that the peasant must be able to get more money, and I do not know what panacea my Honourable friends to my right will prescribe for the stopping of other necessities of his life going up. At present the peasant has no market whatsoever to dispose of his produce. If, under a stimulus, he overproduces and finds no sale, what happens then? Mr. President, I think these are some of the observations with regard to what has been mentioned in the speech of the Honourable the Finance Member. There are one or two other matters about which I should like to say a few words.

I belong to Eastern Bengal and it is my proud privilege that I come from that locality. I think it seems we are having a semblance of a Federal Assembly now in this House in actual working. It seems that the House is

[Mr. Muhammad Anwar-ul-Azim.]

divided against itself. The Honourable the Finance Member has said that he would try to come to the rescue of Bengal to meet her deficit, but nobody knows what will be the income out of the jute export duty. As a matter of fact, the conditions of cultivation in Eastern Bengal are in a very sad state. From my personal knowledge of that area and of people who grow jute under our control in certain parts of that area, I do not feel bold enough to say that even this small concession will come up anywhere near the fringe of balancing the Budget in Bengal. Anyway, we are extremely grateful to the Government of India for having shown us this small mercy. The Government of India should have given us some income from Income-tax as well.

Secondly, with regard to a few other matters which have been raised here during the discussion, I should like to say this much with reference to the fixing of the excise duty on sugar. It has become rather a ticklish subject with certain friends on the floor of the House that while the Honourable the Finance Member would try to stop the over-spread of this industry, why should we not feel ourselves self-sufficient so far as the production of sugar is concerned. If anybody has read critically the speech of the Honourable the Finance Member, the reply is certainly there, and it is this. It may be that you have been able to start a factory and you are fairly one-third of the way up, and perhaps thereby you have not been able to make the concern steady. But the sentiments of these industrialists, who are mostly kite-flyers, if I may be allowed to say so, they do not know where to put a stop, and finding perhaps artificial markets, they might not be in a position to stop their unnecessary growth. They do not know how far they will be in a position to find proper market to buy their commodities. Java Sugar, Mr. President, is much cheaper than ours. I think that has been very well described by the Honourable the Finance Member. Certain of my Honourable friends were telling me "Oh! perhaps this is an indirect help to the manufacturers of machinery in England". But have we got any power over the Government of England? Certainly not. We have no quarrel with them either. If through the utilisation of the British machineries you have been able to fix up certain industries in this country, I think you ought to feel grateful for finding handy and ready those machineries. What would have happened if there was protection given to the sugar industry, and if, in spite of the protection, you have not had such number of machineries of the right type to be utilised for this particular venture. Of course the result would have been obvious.

Certain other friends have taken objection with regard to the tax on cigarettes and matches. Of course I shall be very sorry to be a party to any arrangements whereby the poor peasants of this country will be hard hit, but the fact remains that cigarettes in this country are not used by the people who are lying low in the soil. They are all luxuries, and, besides, if it is any indication of public sentiments in every Province of this country, you have got this law against juvenile smoking. I am sure, ultra-nationalists like my friend, Mr. Gaya Prasad, will also not deny this fact that even in the Province of Bihar they have got this law against juvenile smoking.

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muslim): I am supporting you.

Mr. Muhammad Anwar-ul-Azim: Then, what is the grouse about? With regard to matches, if anybody knows about this free distribution of matches

as a sort of advertisement, he knows very well how this match industry is thriving in this country. My first hand information is that in the rural places of this country, specially in my part of the country, they do not go in for matches which are packed into small boxes, for they have their own artifices of lighting their fuel and making their oven. They generally have sulphur dipped with little chips and light them. If these small changes of incidence of taxes bring some revenue to the distressed coffers of the Government of India, I should not object to it. My Honourable friend the Deputy President, was very solicitous with regard to the welfare of his Province and he should be rightly so; I think I remember when the Simor Commission came out with their report and we had occasion to express our ideas on the report of that Commission, I said even then, that it would be a very good and excellent idea if the Government of England or India would hit upon having a Province with certain parts of the Province from which my friend, Mr. Abdul Matin Chaudhury, comes, and the south eastern districts of Bengal with Chittagong as capital. I do not know what objection there could be for having a small Province of Assam proper and the portions of Chittagong and Dacca Division, forming a separate Province with Chittagong as headquarters. This will increase the safety of that part of India. I will commend for the serious consideration of the Government of India that they will not have to spend crores of money for the protection of the Chittagong district and the hinterland which lies on the border of Manipur.

I think I have now come practically at the end of my speech. But since I feel I may not be able to be in my seat continuously for some time, I feel that I may be permitted to hint generally on one or two matters on which I have given our motions. I have given notice of a cut with regard to the unhealthy surroundings of the old City of Delhi. If one passes through the Civil Lines, it is a standing disgrace to the authorities concerned that they should have dumping ground on the north, dumping ground on the south and dumping ground on the east and still they expect four or five lakhs of people to live here safe and comfortably. I do not know how far this Imperial City, which has been erected at a cost of about 20 crores, is going to be saved from the contagion running from that locality. When the sandy south and north winds are blowing, I do not know how far anybody, even in the Viceregal vicinity, is safe from contagion being caught from that locality.

The other matter is the Posts and Telegraphs side of the Budget. Although the rearrangement of changing the duties may not be very valuable, I think I should allow the Government time to have that experiment and see whether it becomes a paying concern or not. But I think there is a great point in the speeches of those Honourable Members who have said that it would have been much better if it were possible to have some reduction in the price of post cards. But the budgetary arrangements will not perhaps allow that. But I think the Government of India may be allowed to go on with the experiment and see what effect it has and how far the vision of the Postal Directorate shoots up to the mark.

Coming back to the Finance Member's speech, the Honourable Member has lamented the diminution of his income from Income-tax and Customs. These are the biggest items in these 94 items that we have to vote. But I think there must be something wrong somewhere with regard to the collection of income-tax. Sir, I am a very humble man myself and my words may not carry any weight with the Government of India as they have not done for the last eight or nine years. But what I feel is this

[Mr. Muhammad Anwar-ul-Azim.]

With regard to the administration of income-tax, perhaps the service is good and well-conducted and we have got first-class Civilians and people of that calibre to watch the administration. But still I feel that just like the railway revenue, at certain centres these legitimate incomes filter away so nicely that nobody is in a position to catch them. And I can assure the Government of India that if they try to strengthen that last link in the administration of income-tax,—I will not go further than that,—their income will not perhaps go down to that extent. I should not be understood as saying that I am critical with regard to the administration, but I say that there are lots of assessable income which are not coming properly into the Government coffers,—whose fault it is I do not know.

Then, one word with regard to the falling off of the Customs revenue. I am certain that under the very able headship of my friend, Mr. Lloyd, the Customs people are faring very well. They have got experienced people at the centre, but I think those of our friends who are conversant with the bringing in of consignments of goods or taking delivery of goods which come in from outside know that a particular appraiser has got to put a particular value either by seeing the bill of lading, or, in certain cases, he has got to exercise a very first-class imagination and judgment, taking the bazar value of certain articles.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Mr. Muhammad Anwar-ul-Azim: If you have for that work a class of people who would not err on the side of leniency or on the side of being partial or otherwise, there will not be so much trouble with regard to this revenue.

Sir, I think I have done fairly well (Laughter) and I will now conclude by wishing the Honourable the Finance Member a *bon voyage*, and that when he retires, he will continue to be a friend of this country which he has so capably served. His ideal has been to put us on the road to sound finance.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, I do not find any difficulty in congratulating the Finance Member on the good speech he has delivered in presenting the Budget, and some of the results also are not so much disappointing. Sir, it appears to me that certain Provinces always get some advantage over others in the treatment which the Government of India mete out to them.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Punjab appears to be one of those unhappy Provinces which do not get a fair and just treatment.

Mr. Gaya Prasad Singh: What about Punjab wheat?

Sirdar Harbans Singh Brar: My Honourable friend, Mr. Gaya Prasad Singh, mentions Punjab wheat. But what do we get there? We get nothing. You only prevent foreign wheat from coming in so as to provide food for your own countrymen, so that they can eat their own wheat. It appears to be impossible, in spite of the present protective duties, to

pay the Government dues even. Apart from that we want to encourage the production and consumption of wheat, because it is a much more nutritious food than rice can ever be. We want to improve the health of India, which Sir Henry Gidney has been advocating this morning, and we want power of resistance in the case of epidemics which attack us every year. If you peruse the figures given in "India in 1931-32", the moral and material progress report presented to Parliament, you will find that the Provinces which are rice-eating are more liable to attacks from epidemics than other Provinces. Moreover, there are other conditions which are to be considered. It will be found that Provinces, where wheat is eaten, provide more defenders in times of emergency like foreign invasion or war and provide more loyal and good citizens.

An Honourable Member: Loyal to whom?

Sirdar Harbans Singh Brar: Loyal to the land in which we live. While rice, on the otherhand, produces terrorists and agitators and we have to spend crores and crores: it brings instability and terror. It is certain that we cannot meet such abnormal conditions by a mere transfer of food grains from one Province to another and changing wheat for rice. The progress of the country must continue steady and safe and we should be more prosperous in times to come. If an attack is made by a foreign power, it will be very difficult to save the country by bringing in Bengali Babus to protect the frontier of the country; therefore

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): I suppose successive invasions to India came through the Punjab and through the Punjab people.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Is the Honourable Member using this phrase in an offensive spirit?

Sirdar Harbans Singh Brar: Certainly not, Sir: I meant no aspersion. Let us come to more financial considerations. The Punjab, by its sheer good government, manages its finances in a good and orderly way and produces balanced or surplus Budgets; but that does not in any way mean that it should be treated in a step-motherly fashion by the Central Government and the Central revenues, and that Bengal, which mis-manages its finances and which creates unstable conditions and causes its Government to spend crores and crores on useless agitation and terrorism, should get crores and crores from the Central revenues or from the Provinces which are prudent enough to manage their own affairs in a good and orderly manner.

The Punjab is also a mineral producing Province and she is entitled to those mineral resources being utilised for the benefit of her own people. If jute is produced in Bengal and if Bengal is considered justly entitled to a remission on that account, why should not Assam and the Punjab, in the same manner, be entitled to a remission of the excise duty levied on the mineral resources they have, so that they may find money for improving health, education and rural communications in their own Provinces? They are as badly in need of assistance from the Central Government as Bengal or any other Province for the matter of that; and I have no doubt that the Punjab, when she puts her case and presses it, will receive favourable consideration at the hands of the Finance Member. I have complete confidence and faith in him that, if the Local Government puts

[Sirdar Harbans Singh Brar.]

their case within his time, he will spare no efforts to meet the just claims, if his financial position permits him to do so.

I have to congratulate the Finance Member for promising legislation with a view to protecting the interests of the growers of sugar cane. It is very vital to my constituency, which is composed wholly of peasant proprietors, that they must get an economic price for their produce. A large quantity of sugar cane is grown in my constituency. Factories for dealing with this cane have now been started and many are working now in different parts of the eastern and the southern Punjab. When I was on the Select Committee on the Sugar (Protection) Bill and we intended to fix a minimum price for sugar cane, the sugar manufacturer and industrialist or their spokesman assured us that the fixing of a minimum, which we at that time thought eight annas a maund was to be proper, was not necessary, because they told us that the grower will get certainly more than that and that in the interests of the grower himself we should not fix that minimum. But what do we find after these two years? Cane growers have been getting five annas or six annas or sometimes seven annas a maund, but never a real economic price or eight annas. So I am really glad that the Honourable the Finance Member has considered the interests of the masses, the growers, who are much larger in number than the manufacturer can ever be, and has promised that proper machinery would be set up and legislation would be introduced to protect their interests. This is one of the very good things he has been able to do for the welfare of the masses. When the manufacturers have been making huge profits ranging from 40 to 90 per cent., I do not think that an excise duty will do any harm to them, if, at the same time, it can be assured that the price of sugar will not rise in the market; if the prices are maintained steady and the Government revenues can be benefited by a couple of crores and a reasonable margin of profit is allowed to the industrialist, it is a fair and just proposition to meet the necessities of the case. Just as we are promised seven lakhs for setting up this machinery for marketing facilities, he may be pleased to use the surplus also for the same purposes, so that the agriculturist may get better return for his produce and more facilities for improving the quality of his crops, and it will all be for the betterment of the rural population. I think, therefore, that the Punjab will get her due share for her public health, education, etc., if she is allowed a remission of the excise duty on petroleum, because Bengal has already got other benefits, like the permanent settlement. Why should not Bengal tax her own people as they are already unduly enjoying the benefit of old Statutes? They must pay for their own Government; the Central Government cannot for ever give subventions and bounties to Provincial Governments. If today we give two crores to Bengal, then we will have to give similarly to other Provinces, so that they also may be justly and fairly and equitably treated since they are overburdened with taxation, where the land revenue and water rate are very high and the conditions are not so prosperous as in the case of Bengal.

One gloomy feature of the whole Budget appears to be that the Army expenditure of the Government of India is still very high. But the Army Budget figures are as deceptive as the civil list of the princes in India. You put a shoot as expenses in the Forest Department. You put the expenses of the palace into the public works, that of the personal staff

into the army, that of the motor cars in entertainment and transport, and so on, and, therefore, it is that in the Army Budget we find that the 46 crores that is shown is not the total figure of Army expenditure in India. We spend large sums of money on strategic lines, we give concession rates for the transport of Army material and stores, we give very great concession rates for the transport of their personnel, and we give such concessionary rates in many other spheres of Army administration. If all these things are piled up and added together, the total figure will surely be very much higher than 46 crores.

Then, Sir, there is the system of appointing I.M.S. Officers on the civil side on the ground that posts should be reserved for these Officers in beneficent Departments in the Provinces and compelling the Provinces to pay heavy sums of money which, but for this compulsion, those Departments would have utilised for extending services of their own Departments in the rural areas. This attempt to compel the beneficent departments to employ I.M.S. men is merely to shift expenditure from the military to the civil side. I remember a case particularly, where the Punjab Government wanted to appoint a Provincial Service medical man as the Director of Health, but there came the Government of India who said that that post was reserved for an I.M.S. man. The Punjab Government said that they could not afford it, and they fought hard; in fact they even threatened to abolish that post, but there came the Secretary of State, the Almighty Mughal at the India Office, with the result that the Punjab Government had to yield and appoint an I.M.S. Officer in preference to a Provincial Service medical man. Sir, Civil Surgeons' posts in many places are reserved for I.M.S. officers. You can get a Provincial Service man on Rs. 600 or Rs. 700, but for such posts you must have I.M.S. men, because the military authorities want that some of their Officers must be kept employed somehow somewhere, because whenever their services are needed, they can always be readily commanded. For I.M.S. Officers we have to pay not less than Rs. 1,500, and in some cases even as much as Rs. 2,500, when we could get men to do the same work for Rs. 600 or Rs. 700 belonging to the Provincial Service. . . .

Mr. B. V. Jadhav: In Bombay, a Provincial Service man was appointed as Director of Public Health.

Sirdar Harbans Singh Brar: The Punjab Government had to put up a big fight, but they were overruled, and they had to appoint an I.M.S. Officer in place of an Indian Provincial Service Officer. And in many other beneficent departments, most of the expenditure is incurred for the benefit of the Army, and not for the benefit of the masses or of the people. Therefore, if we add all these items of expenditure, the Army Budget will certainly show a much higher figure, and even the Simon Commission were astounded to find that the proportion of the Army Budget alone was about 62 per cent. to the civil expenditure. Well, in that connection, only yesterday we found in a local newspaper an officially contributed article showing that the expenditure of the Army bore a proportion to the expenditure on the civil side only of 20 per cent. I was surprised to find it. It is an officially contributed article which appeared only yesterday in the *Hindustan Times*, but I consider that if we add up all these separate items, which are credited to other departments, the figure of the Army Budget will come to a very high figure, and I feel that it is high time that these things were not allowed to continue. . . .

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has got only two minutes more.

Sirdar Harbans Singh Brar: The Honourable the Finance Member mentioned one other fact, and that was, that the co-operative movement would be encouraged in the Provinces for the benefit of the rural and agricultural classes. Sir, I have had some experience of the co-operative movement, and I think that these co-operative banks get money from Local Governments at $3\frac{1}{2}$ per cent. or 4 per cent., and distribute it to the cultivators and peasants at exorbitant rates like 12 per cent. Eight per cent. goes for overhead charges for the distribution of this money, and this is very high indeed. Therefore, some radical measures should be devised, so that the co-operative movement and the marketing boards, which are to be set up, may keep their overhead charges sufficiently low and at an economic figure, in order that the people, who actually take loans from these co-operative banks, may benefit by getting money at cheaper rates, because, Sir, if these co-operative banks are not able to realise the loans in time, they have the power to get the lands of the poor peasants auctioned, whereas a private *bania* or money-lender cannot do so. So, in view of such exceptional facilities which these co-operative banks enjoy for recovering their money, I feel that the rate of interest, at which they advance loans, should be reduced. If Government lend to co-operative banks at $3\frac{1}{2}$ per cent., the cultivator should get money at, say, 6 per cent., and the difference of $2\frac{1}{2}$ per cent. is a good sum as overhead charges.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member must now conclude.

Sirdar Harbans Singh Brar: Sir, I want to allude to only one more matter. I would request the Honourable the Finance Member to put a high tariff import duty as well as excise duty on vegetable *ghee*. That commodity is doing very great harm to the health and prosperity of this country. Vegetable *ghee* is being sold as genuine and at exorbitant rates, and Sir George Rainy, three years ago, promised us that the case would be considered favourably, but, Sir, two years have passed, and nothing has been done so far. I would like that a very high import duty and also a very high excise duty should be put on vegetable *ghee* so that the already deteriorated health of the people of this country may be improved.

Mr. P. G. Reddi (Guntur *cum* Nellore: Non-Muhammadan Rural): Mr. Deputy President, I am afraid I cannot congratulate the Honourable the Finance Member on his farewell Budget. The country expected a more statesman like handling of its finances based on a correct appreciation of the prevailing acute economic situation. The Honourable the Finance Member has circulated to us a review of certain main items of foreign trade during the calendar year 1933. May I ask the Honourable the Finance Member whether he has bestowed his attention on tables 5 to 13 on pages 8 to 10 of the review. I ask this, because the Budget does not disclose any action which those tables warrant. What do these statements show? In the first place, they show that rice alone accounts for about 50 per cent. of the total agricultural income of the country, and the value of rice production has fallen from Rs. 501 crores in 1928-29 to Rs. 232 crores in 1932-33. Table 33 shows that our rice exports have fallen from 20.76 lakhs tons in 1932 to 18.29 lakhs tons in 1933.

One would have naturally expected the Honourable the Finance Member, if he had appreciated the significance of those tables, to abolish the rice export duty which, after all, yields about 75 lakhs of rupees. Export duty on a commodity like jute is justified, because this country holds a monopoly in jute in the world's market. No one could justify the export duty on rice which is to compete with countries like Indo-China and Siam which have large exportable surpluses. If the Honourable the Finance Member had utilised the excise duty on matches which he has proposed and which is, again, a duty on the poor man, for remitting the export duty on rice instead of giving bounties to a Province like Bengal whose deficits are the result of their land revenue system and large amounts spent on suppression of terrorist movement, he would have earned the gratitude of the many millions of agriculturists in this country. With a cultivable area of 24 million acres, the Government of Bengal gets a land revenue of Rs. 8 crores, whereas, in a Province like Madras, where the ryotwari system prevails in the greater part of the Presidency, with 32 million acres of cultivable area, the Provincial Government gets a land revenue of Rs. 7½ crores. What the Honourable the Finance Member should have done to relieve Bengal's financial plight is that, instead of giving a bounty in the shape of half the proceeds of the export duty on jute, he should have permitted Bengal, which has the advantage of a Permanent Settlement, to levy a tax on agricultural incomes above a certain level and until the deficit is cleared off.—I lay stress upon these two conditions—which would have been a fair deal to Bengal as well as to the rest of India.

The Government's economic policy seems to be based on an inadequate appreciation of the facts of the situation. It is prepared to forgo a revenue of Rs. 8 crores to protect an industry like sugar which contributes about Rs. 35 crores or five per cent to the total agricultural income of the country. Let me not be understood for a moment that I am one of those opposed to protection for sugar, but what I want to submit to this House is that things of greater importance like rice should receive greater attention at the hands of this House as well as of the Government. I know, Sir, that Honourable Members have made eloquent speeches on minor industries like hosiery, whose contribution to the national wealth is so small compared to rice. They should have paid greater attention on the question of rice. I venture to warn the Government that if the rice cultivator, who is the backbone of the country, is neglected as he is today, the whole of the economic wealth of the country will break down, the political situation will grow worse and he will become an easy prey to subversive movements such as Bolshevism. (Hear, hear.) I venture to submit that it is the duty of a civilised Government to view things in their proper perspective and take prompt action instead of allowing the free play of economic forces to bring about a readjustment of the economic situation which is likely to cause untold misery to the agricultural classes.

Lala Rameshwar Prasad Bagla (Cities of the United Provinces: Non-Muhammadan Urban): Mr. Deputy President, as is customary at the close of a year and the beginning of a new financial year, we have the financial review of the current year and the forecast for the coming year by my Honourable friend, Sir George Schuster, for the last time, and so it is but natural that our sympathy goes out to him. The more so, because, in the history of the Constitutional Reforms in India, his period of office has been most trying owing to the causes which were to a certain extent beyond human control. I am sure, had nature favoured my Honourable friend, the tale of his guardianship of the national finances would not have been

[Lala Rameshwar Prasad Bagla.]
so woeful. In my anxiety not to be unjust to the administrator, I shall be failing in my duty if I do not respectfully point out to him the directions in which he should have carried out his plans and the crying needs of those for whose benefit the administration is run.

The country at the present moment most needed relief in the matter of surcharge on super-tax and income-tax, as will be seen by the fall in expected revenue from these heads. It clearly indicates that the people were taxed beyond their capacity which resulted in non-fulfilment of expectations. Sir, I am sure that none dare deny the fact that the financial condition of the nation cannot be said to be sound only by having a balanced Budget without a corresponding increase in the prosperity of the people. But an ordinary scrutiny of the picture presented by the Finance Member will prove that the case has not been so.

The financial position of the people has still deteriorated, which makes it imperative on the State to at least put a check on further decline, and offer some measure of relief to the people so that they may steadily emerge out of the distress.

While not minimising the significance of the relief extended in the postal and telegraph amenities, I will point out that they are not sufficient. The most crying need of the people in these directions was the decrease in the price of the postcard, and I would urge that the ray of hope about it given by the Honourable Member should at an early date be transformed into actual fact. The other relief proposed in the matter of lowering duty on silver is of doubtful utility to both the people as well as the Government. Sir, the relief that the country was expecting was at least in the direction of the lifting of the emergency taxations which now seem to have become a permanent feature. The taxes have been very crushing, especially the imposition of income-tax on an income of one thousand rupees. It has put great hardship and created discontent in the people concerned, and if there is no general outburst of feelings of resentment, it is not due to any other reason, but a feeling of helplessness. To add to the present hardships of the ordinary and poorest of the land, the excise duty on match is very undesirable and unjust. The duty will result at least in doubling the price of a match box. May I bring to the notice of the Finance Member that in the villages, where the bulk of the population of the country lives, there are at least 25 per cent of the people who could not enjoy the use of a match box even at the present price?

Sir, considering the relief the budgetary plans will afford to the class of people to which I belong, I can at once say that they are very negligible. The commercial development badly needed relaxation in the surcharge on income-tax and super-tax. While realising the difficulty and responsibility of my Honourable friend to provide means to the State to maintain administration, I cannot overlook the fact that he has not reciprocated the willing co-operation of the business community. We have never grudged to share the burden of the administration to the best of our capability, but now we find it embarrassing, and though we will have to pay all that is imposed, that spirit of willingness and co-operation will have vanished. I, therefore, will appeal to my Honourable friend not to drive us to that, but keep us in his sympathetic fold. Further, I would suggest that the ten per cent duty on machinery should be removed as it is proving a very serious obstacle in the industrial development of the country. As for the excise duty on sugar, it would have been better in the interests of the industry if his excise duty had been deferred to a later date and he had allowed the

industry to consolidate itself in the meantime. It is most inopportune at the present juncture as many of the sugar mills have greatly suffered owing to the earthquake. Probably they will have to make a fresh start, and it will not be just to have excise duty imposed even on them. I can not see how far the excise duty on sugar is justified. The protection given to sugar was just enough to enable the Indian sugar mills to compete with the Java manufacturers. I admit the protection thus given has been responsible for the rapid growth and multiplication of sugar mills in the country. But just because of the growth has been so rapid, it was essential, both in the interest of the investors and the infant mills, to continue the full protection given to them for at least a few years more, as I have stated above.

As it is, the excise duty will on the one hand imperil the growth of the industry, and, on the other, deprive the agriculturist of the boom in the prices of the sugar-cane. The measures contemplated by the Government to standardise the price of cane, I am certain, cannot prove effective, and will, without bringing any advantage to the agriculturists, fill the pockets of the unscrupulous middle-man.

Further, I may point out that we have been greatly disappointed to see that no export duty on gold has been imposed. The whole country has been with one voice protesting against the drainage of the country's gold which is in fact the real worth of the nation, may we still hope that my Honourable friend will try to impress upon the people that the Government are alive to the needs of the people in all respects as he has tried to do to a small extent, and, further, in these days of general discontent, believing the Government to be utterly irresponsible, will help to allay that feeling to the mutual interest of both England and India.

Sir, coming to the expenditure side, I can say that the gratitude which my Honourable friend has claimed would have been more deserving and sincere if the reduction in the Army expenditure would have been permanent.

Before concluding, I would urge upon Sir George Schuster that, as he is to leave the shores of this country shortly, he should stress upon the powers concerned the necessity of carrying out drastic reduction in the top-heavy administration without which there is not a shadow of a chance of putting the Government budgetary position on a sound basis accompanied by the contentment of the people having been relieved of the crushing burden of taxation which is most essential for a good Government.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): I must offer my meed of praise to the Honourable the Finance Member for the excellent Budget which he has presented to us. Considering the circumstances of the country and the conditions of trade and commerce, the Budget which he has presented is indeed a good one. Two things have always to be considered when a Budget presented to an Assembly has to be considered. First is that the Budget has to be balanced, and, secondly, if there is a deficit or the income is smaller than the expenditure, money has to be raised to balance the Budget. In the present case, the income was smaller than the necessary expenditure and money had to be raised and the Finance Member had no other source of raising money except by taxation. The only thing to be considered in taxing is this. Taxation is, of course, a necessary evil and is always a bad thing from the point of view of the people who have to pay taxes.

[Diwan Bahadur Harbilas Sarda.]

but, being a necessary evil, it has to be met and the question is, when the tax has to be raised it must be raised in the least objectionable way; and I think if we consider the present Budget, we find that this condition has been fulfilled, and, consequently, the Honourable the Finance Member is entitled to the congratulations of this House.

Sugar, tobacco and matches, these are the principal articles which he has taxed. An Honourable Member said that an excise duty was always bad and particularly when it was on production. Now, sugar is as much a manufactured article as liquor; and if liquor can be subjected to excise duty, I do not see why sugar should not equally justifiably be made subject to such a duty. The primary product is *mhowa* or barley in one case and sugar-cane in the other case; and the primary product has not been taxed at all. The effect of taxing sugar will probably be so far as we can foresee, that the profits of the sugar companies would be lessened a little. So far as the industry of the cane growers is concerned, it has been protected by the Honourable the Finance Member who has made a provision that Local Governments shall make rules and regulations to secure to the cane growers a minimum price for their cane.

I do not want to say much about the General Budget at this stage, but I want to say a few words about Ajmer-Merwara, because during the last 11 years that I have been here, the Budget of Ajmer-Merwara has never been discussed in this Assembly; and that will continue to be so, so long as the present procedure lasts. Though in literacy and other matters, relating to social and other amenities of life, Ajmer-Merwara stands abreast of the most advanced Provinces of India, yet it has not been allowed to benefit from the reforms. The people of my Province have neither a Local Council nor any agency by which they can be made responsible for the laws and regulations that are framed for that Province. As early as 1925, I moved a Resolution in this House asking the Government to establish a small Legislative Council for making laws for that Province, as there was one for Coorg. Coorg is half the size and with half the population of Ajmer-Merwara. Yet it has a Legislative Council of its own. Ajmer-Merwara, which is more advanced than Coorg in all respects, has not been given one, and I would ask now that as the entire Constitution of the country is in the melting pot, some provision be made by which Ajmer-Merwara may also receive the benefits of the Reforms in the same way as other major Provinces will receive, if it cannot receive that benefit by remaining a separate unit, then, by its being amalgamated with the U. P., of which it formed part till 1871. We do not want a big Council, with all the paraphernalia of a Law Member and a Finance Member. We only want a small Council where the laws and regulations made for Ajmer-Merwara may be discussed and people there may be allowed to have a voice in the local affairs.

Then, Sir, I find that capital funds are now forthcoming. Delhi, which is also centrally administered, is almost the same size as Ajmer-Merwara, and has no doubt certain other important aspects. It is the Capital of India. 25 lakhs have been given for a hospital here. Would not the Honourable the Finance Member be justified in giving us a lakh for our hospital for Ajmer-Merwara which is the centre of Ajmer-Merwara and which sets an example, as a matter of fact, to the whole of Rajputana in cultural matters. The Ajmer Government College badly needs money.

The University has been telling the authorities that they will withdraw its recognition if certain things are not done. Rs. 25,000 have recently been sanctioned, but it is too small a sum. If capital funds are forthcoming and Government sanction a couple of lakhs for Ajmer-Merwara to meet the necessary expenditure, it would only be doing a very necessary thing. The sanitation of Ajmer is as bad as can be and the death rate is higher than that of any other equally well situated place. The Municipality and the Local Government have been asking the Government of India for a loan for a drainage scheme. The North-West Frontier Province can get a crore and a half every year. Delhi gets lakhs and lakhs in one way or another from the Central Government. Ajmer-Merwara does not get anything. Not only in the City of Delhi, but in the suburbs and in the villages, there is compulsory education. In Ajmer, compulsory education is unknown, and in no part, even of the Ajmer town, does compulsory education prevail; why, because there is no money! As the Central Government is responsible for the administration of Ajmer-Merwara, I appeal to the Honourable the Finance Member to make some provision by which the condition of things in Ajmer-Merwara can be improved.

There is another little matter. The Bengal Government have thrown a lot of detenus on the administration of Ajmer by sending them to that Province. The Commissioner of Ajmer has to go three or four times every month to Deoli and he has to give a lot of his time to matters regarding the detenus. The medical authorities have also to provide accommodation for them and they have to see to their comforts and treatment and thus spend lot of money over them. What does the Bengal Government give to Ajmer-Merwara in return for all that? The Bengal Government might be asked to contribute towards the administration of Ajmer-Merwara when it has sent 500 of its detenus to Ajmer-Merwara. The Bengal Government finds it very convenient that part of its important work should be done by Ajmer-Merwara. Is it not fair then that the Bengal Government should make a contribution to pay for the work done for it?

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I, therefore, while congratulating the Honourable the Finance Member on the excellent Budget and also on his making money so cheap in the country for the use of industries if they want to make use of it, must also ask him to remember Ajmer-Merwara, as this is his last Budget. We hope that if he is not able to do anything for Ajmer during his time, he will put down in writing something by which his successor might be able to help Ajmer-Merwara.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Mr. President, we get two days for the general discussion and five days to discuss eighty-four Demands for Grants. Under our present convention, out of those five days we spend four days in discussing five or six important subjects and we get only five or six hours to deal with the other eighty demands of the Budget, and, under the present arrangements, in respect of some of the most important subjects like the Postal Budget, which deals with about Rs. 10 or 11 crores and for which, in fact, the Finance Member supplies us a separate volume of Budget book, we hardly

[Mr. S. C. Mitra.]

get any time at all. So, Sir, with your permission, I would like to confine my speech mostly to the Postal Budget; but, before I do so, I should like to say just a few words about the general finances.

My friends from Madras, and, particularly, my gallant Sikh colleague felt jealous that Bengal was getting a very large amount out of all proportion to what they can claim. Sir, I for one do not congratulate Bengal much on this windfall of about two crores of rupees, because I know this money will be spent mostly not on the nation-building departments, but on police and the machinery for law and order; so it will not help my people in any way. My friend, Mr. Mody, was here suggesting to me that we should deport all the terrorists and anarchists, and I suggested to him, "also the police and the soldiers". Sir, the so-called anarchists and the terrorists have been deported already to my friend, Diwan Bahadur Harbilas Sarda's Province; and if the police and the soldiers are removed, I think we can still have a balanced Budget, all round. However, as regards the general finances, I shall only read a few lines from a note submitted to the Joint Select Committee. Sir, our trouble began with the Meston Award. It is a question of belated justice, not at all of Bengal being favoured in any way. All credit is certainly due to our very strong Governors. I believe our Governor, His Excellency Sir John Anderson, is responsible for getting this amount through the Secretary of State for our Province. (Hear, hear.) Sir, I will now read from the note submitted to the Joint Select Committee:

"The total revenue of the Government of India in the same year, 1921-22, was Rs. 64,54,66,000, of which Bengal contributed not less than Rs. 23,11,98,000. According to Sir Walter Layton, in 1929, Rs. 16,59 lakhs were collected from Bengal, Rs. 7,14 lakhs from Madras, Rs. 5,84 lakhs from Bombay and Rs. 7,17 lakhs from the United Provinces. Since the jute duty was imposed in 1916, Bengal has contributed nearly Rs. 50 crores to the Government of India from this source alone. The income-tax and super-tax from jute mills and jute business are estimated to have contributed Rs. 24 crores annually to the Government of India. Bengal's unfortunate position was not due to the poverty of the Province, but solely to the method of allocating the total revenues of India between the Provinces and the Centre. The difficulties were further enhanced by the fact that the sources of revenue assigned to it were inelastic, namely, land revenue, excise, stamps and court-fees. From the outset it was clear that the Meston settlement worked grave injustice to Bengal and the first Budget showed a deficit of Rs. 1,20 lakhs."

Sir, I do not like to take the time of this House by quoting figures to show that the Province of Bengal suffered *ab initio* from the Meston Award and injustice was done for a very long time, and it is a case of undoing an injustice, not of indulgence from anybody.

Now I would like to deal with the general finances. Sir, my friend, Mr. Anwar-ul-Azim, reminds me that other Provinces get large subventions—for instance, the North-West Frontier Province gets Rs. one crore, then my friend, Mr. B. Das, is expecting some 50 lakhs

Mr. B. Das (Orissa Division: Non-Muhammadan): We are expecting only Rs. 28 lakhs.

Mr. S. C. Mitra: Anyway, you shall have to subsist only on subventions (Laughter); and then a big Province like Madras had very large loans for the building of the Vizagapatam Harbour, and the Punjab drew crores for its Kangra Valley Railway scheme, and the beautiful Province of Bombay had its backbay scheme for which the Government of India had something to pay

Sir Cowasji Jehangir: May I point out that the Government of India have not paid out one rupee. And may I point out to the Honourable Member that Bombay's case is exactly parallel to that of Bengal.

Mr. S. C. Mitra: So that he on similar grounds might claim from the Government of India some money in some shape or another in future; otherwise they cannot also go on balancing their Budget. Sir, it is no use quarrelling among the Provinces.

Now, I shall just say a few words with regard to the financial position of India during the last five years of the régime of my Honourable friend, Sir George Schuster. When he came out in 1928, he got from Sir Basil Blackett almost a balanced Budget, and, so far as I remember, in the year 1928-29, he only asked for a duty on motor spirit, but next year, though the economic depression did not exist, even at that time he asked for additional taxation,—for a duty on cotton, Rs. 1.25 lakhs, for income-tax and super-tax 70 lakhs, for kerosene 35 lakhs, for sugar 1.80 lakhs and for silver 100 lakhs, total Rs. five crores ten lakhs; and I think, if I remember aright, his main ground was that there should be a proper and scientific debt redemption fund, and I agree with him that in any scientific system of finance there should be a proper arrangement for repayment of national debt, but this additional duty was not necessary due to any special economic distress, either in India or anywhere else. Then, in 1931, he put on further taxes by way of customs, Rs. 9.83 lakhs, and income-tax to the tune of about 4.54 lakhs nett and for silver, and in 1932-33 he put taxes on dyes, postage and machinery. Now, here, I must say, by the by, because I shall not have any chance of referring to it,—here alone in India we put such a large amount of tax on machinery which helps the indigenous industry. The anxiety of the Government for the promotion of industries, if they really are sincere and earnest, certainly should impel them to do away with this duty on machinery. Then, there was the duty on raw cotton which brought 48 lakhs. Then the income-tax minimum was lowered which was responsible for 1.73 lakhs. Then there was the additional salt tax which brought 2.38 lakhs. Then there were import duties on silk, sugar, boots, etc. From all these sources in all these years I think he has recovered additional taxes to the tune of about 40 to 50 crores; and now when he is reducing the amount of the Debt Redemption Fund from 6.88 lakhs to three lakhs, I think we could reasonably expect that the additional duties that were put for that purpose alone should be reduced. But the additional taxes will continue. Although the fund for debt redemption is reduced, the additional duties, which were specifically put for that purpose, remain the same.

The Honourable Sir George Schuster: My Honourable friend is under some misapprehension. There was no question of extra tax being imposed in order to provide for the provision of reduction and avoidance of debt. That was fixed by Convention in 1924 long before my period of office. I think possibly what my Honourable friend has in mind is that in 1930-31 for the first time we made proper provision for the growing liability in respect of the Post Office Cash Certificates. That put an additional burden on the Budget. Possibly that is what my Honourable friend has in mind.

Mr. S. C. Mitra: I speak subject to correction again, that this necessity for putting additional duties in that year (1931-32) was due to this new provision for putting an additional sum in the debt redemption fund. My

[Mr. S. C. Mitra.]

point is that it was not due to the economic distress in the country that our income went down. I again speak subject to correction that this additional duty was imposed at a time when this loss of Government revenue could not be attributed to the economic distress throughout the country.

The Honourable Sir George Schuster: I think my Honourable friend surely will recollect that the general economic crisis began at the end of 1929.

Mr. S. C. Mitra: In any case, what I find is that though the debt redemption fund is now reduced, but the duties that have been imposed during all these five years of the régime of the Honourable the Finance Member, the burden will remain on the shoulders of the tax-payers of India. I do not like to go into other details, because I shall get another opportunity to discuss those details later on. I should like to confine myself at present mostly to the Postal Budget. I welcome the presence of my old friend, Sir Thomas Ryan, as a Member of this House, and, particularly when he is retiring, we find that he has given us a more or less balanced Budget.

Coming to the Posts and Telegraphs Department, I see that it has been possible to reduce the loss of the Department to a certain extent. The reason is that he has respected the wishes of this side of the House to a certain extent, although there are still many defects in the accounts, requiring rectification. I must in this connection point out that we are seriously handicapped as the Annual Report of the Posts and Telegraphs Department has not yet been published. In view of the belated publication of the report, we are not in a position to know what was exactly the state of affairs during the last year. It is a matter of some satisfaction that the provision for the Depreciation Fund has been reduced to Rs. 8,72,000 against Rs. 44,03,000 in the year 1933-34. The Accounts Inquiry Committee recommended that the interest earned on Depreciation Fund balance should be added to the income side of the Department and found out, on careful calculation, that a sum of Rs. 70,63,000 was to be added as interest. But this has not been done. In reply to a question put by me on the 5th February, 1934, I was informed that up to the close of the year 1933-34 the total amount of Depreciation Fund was Rs. 3,05,76,351 while the Accounts Inquiry Committee recommended as follows:

"The depreciation fund of the Department is given an initial opening balance of Rs. 8,25,35,096 being the amount of the arrears of depreciation on 1st April 1925 and interest on the Depreciation Fund balances should be credited to the revenue of the department."

I am, therefore, in a fix to know what should be the correct amount. The recommendation of the Accounts Inquiry Committee was based on the information supplied by the Government. I, therefore, invite the Government to say definitely as to whether the information supplied by them to the Committee, or their reply to my question is correct. From the reply to the question referred to above, it appears that the Department will get Rs. 15,39,000 as interest on the Depreciation Fund balance, and that in the coming year the interest is expected to be more. But I do not find anything in the Budget. If this item of interest, *viz.*, Rs. 15,39,000 had been added to the income side, then there would have been no loss

to the Department. Rs. 84,25,000 has been charged as interest on Capital outlay against Rs. 83,35,000 in the year 1933-34. I shall be glad to know the cause of this increase of Rs. 90,000, because the rate of interest has gone down and not increased during the last year. It has now been decided to print and sell separately the revenue stamps, and I do not see any reason why a sum of Rs. 5,44,000 has been provided in the Budget as "Civil Department share of ordinary and unified stamps". The share of cost of combined offices has been shown as Rs. 34,00,000 against Rs. 34,59,811 in 1932-33, although I presume that the number of combined offices is on the increase. There is another fact worth mentioning. In the year 1932-33, the Telegraph Branch derived income through combined offices to the extent of Rs. 108.3 lakhs, but gave credit of only less than one-third of the income to the Postal side. It is simply unfair which is one of the causes for loss of the Department. There has also been a slight increase in printing stamps and postcards, namely, Rs. 11,70,000 against Rs. 10,53,000 in the year 1933-34. Although the expenditure has decreased in the post office, the expenditure under head "Audit" has increased. In this year, Rs. 31,33,000 has been provided against Rs. 27,87,386 which was actually required in 1932-33.

I shall touch a very important point relating to allocation of the income from the sale of stamps between the Posts and Telegraphs Branches. It has been stated in the Budget that the calculation of the telegraph share of stamps is based on the number of telegrams and average value per telegram. I understand that in all combined and departmental telegraph offices statistics are kept of the number and value of telegrams booked, as will appear from the reply to my question dated 5th February, 1934. I, therefore, see no reason why the actual value of telegram should not be taken into account for allocating income between these two departments from the sale of postage stamps. According to the present arrangement, one would be satisfied in thinking that more income is being credited to the Telegraph side than is its legitimate share. In the item "Credits for the services rendered to other Departments" on account of management of Post Office Savings Bank and Government Security and Cash Certificates, a sum of Rs. 56,49,000 has been credited. I shall be glad to know the number of supervisory staff, clerks and inferior staff employed in the Post Offices as well as in the Audit Offices for this work and what will be the actual charge on account of their pay, leave provision, pensionary charges, as well as expenditure of stationery, contingency, rent, etc., before deciding whether the credit is fair to the Post Office or not.

It has been announced that henceforth the charge on letters weighing $\frac{1}{2}$ tola would be one anna. I think this will not be much of a boon to the poorer middle classes. Many people will not be able to know what will be exactly $\frac{1}{2}$ tola and, as a consequence, many letters will be taxed. So I propose that the weight be raised to one tola. The rates on packets have also been raised in order to check abuse, but why have not the rates on foreign packets been also raised? The charge on a foreign letter is three annas six pies against one anna three pies for inland, and, on the same analogy, the charges on book, pattern packets or samples, etc., should at least be annas two per five tolas. Before the year 1931, the charge of registration on a foreign postal article was annas three, while the charge of inland registration was annas two. Although the registration charge of inland letters, etc., has been enhanced to annas three, the registration charge on foreign articles remains the same, namely, annas three. I strongly

[Mr. S. C. Mitra.]

protest against this sort of bounty to the foreign country, and I propose that this charge should also be enhanced to annas five. The additional income from enhancement of these rates will compensate for any possible loss on reduction of charge on letters up to one tola. While, however, the reduction of postage on envelopes will, as I have shown, give very little relief to the poorer middle classes, the mass of population, I mean the poor cultivators and the labourers, have not been afforded any relief as no reduction has been made on the price of postcards. The public of the country do not, I must frankly state, share in the Government view that the Post Office in India is a losing concern, while the Post Office in Great Britain and other countries are yielding decent surpluses in spite of the trade depression and without any ruthless retrenchment as here in the subordinate postal service. They attribute the deficit in the Department to the defective system of accounts maintained since commercialisation of the Department and to the pampering of the Telegraph Engineering as also of the Telegraph Traffic Branch at the cost of the Postal Branch since amalgamation of the two branches. The retrenchment policy adopted by the Department goes only to confirm this view. In spite of the repeated and insistent demand from this side of the House to reduce expenditure in the Telegraph Engineering Branch, the branch has been left entirely untouched, and the staff, found surplus by the several Committees in the Telegraph Traffic Branch, have not been reduced, while retrenchment is being effected ruthlessly and wrecklessly in the subordinate staff in the Post Office and R. M. S. Are we to understand that the Telegraph side, especially the Engineering Branch, officered as it is by Europeans and Anglo-Indians, is thus favourably treated, because it concerns these vested interests and that the subordinate staff in the Post Office and R. M. S., being chiefly composed of men of the soil, should be ruthlessly sacrificed in the name of economy? No sooner was the question of retrenchment but whispered in the Assembly than the Department started axing operations in the Postal Branch with the result that several thousands of clerks, sorters, postmen and inferior staff were quickly retrenched, nearly 150 selection grade appointments were done away with and a large number of departmental post offices were converted into extra-departmental agencies, and so on and so forth. The craze for retrenchment has not stopped here and I am informed that gazetted officers have been given a blank cheque to retrench any postal official irrespective of age or length of service.

The Honourable Sir Frank Noyce (Member for Industries and Labour): I am sorry to interrupt the Honourable Member, but it is becoming increasingly difficult to follow him.

Mr. S. C. Mitra: But it has become equally increasingly difficult for me to finish my speech within the allotted time.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can take five minutes more to finish his speech.

Mr. S. C. Mitra: Thank you, Sir. I have only this day received the tragic report from Burdwan that the Divisional Superintendent has issued orders summarily retrenching as many as ten junior postmen with periods of service ranging between 15 and 29 years, who have been ordered to be relieved in the afternoon of 28th February, 1934. It is also under contemplation to retrench 80 or 90 officials in the Burdwan Division alone with

services ranging between one and ten years. Sir, this may look humorous to some of my Honourable friends, but it is a question of life and death to these poor subordinates. I enter the most emphatic protest against this massacre of the innocents, this merciless butchering of poor Indians in the name of retrenchment. On the top of all this, the Government are going to appoint what they call the "Postal Establishment Enquiry Committee" for which Rs. 60,000 has been sanctioned. I can easily anticipate what the result of this Committee will be, and I should think that the Committee would be better styled as "Postal Disestablishment Committee" as it will be more descriptive of the work to be done by the Committee. It is rather amusing to find that the Government have, along with the appointment of the Committee, held out the bait to the public of a prospective reduction of the postage rates within the next three years. Well, I must warn the public not to swallow this bait. As a member of the public and as one of their representatives, I refuse to believe that the only way to reduction of postage rates lies through the cutting of the throats of the poor subordinates in the Post Office and the R. M. S., who have served us so well and that there is no other way. On the other hand, I am quite emphatic in my view that if the defective system of accounts is completely over-hauled as recommended by the Postal Accounts Enquiry Committee, if the expenditure in the Telegraph Engineering Branch is properly curtailed by reorganising the Branch on the principle of amalgamation of the Telegraph, Wireless and Telephone, as suggested by the Telegraph Establishment Enquiry Committee, if the surplus staff in the Telegraph Traffic Branch are retrenched as recommended by the latter, then the surplus that will accrue to the Department will be more than sufficient to enable restoration of the postage rates to the old level. The public surely want cheap rates of postage, but it should not be forgotten that they do not want an inefficient postal service which will surely be the inevitable result of the one-sided policy of retrenchment that is being blindly pursued by the Department. Above all, they do not want that a single Postal or R. M. S. official should be unjustly and unnecessarily thrown out of employment and swell the ranks of the vast unemployed in the country. (Applause.)

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, whatever may be said about the present Budget, I must say that, during the last three years that I have been in this Assembly, this is the most balanced Budget. Whatever criticism may be launched against the Honourable the Finance Member for what he has done in taxing the country and keeping up its credit, I have no doubt that all sides of the House will agree with me that he has carried on the administration of the finance of this country so efficiently that, in spite of the very bad times, our credit has not been lost, but on the other hand it has been regained. The credit of the country, it seems to me, is the most important from a national point of view. As far as that is concerned, I think he is to be congratulated most warmly for keeping up the credit of India at so high a level in spite of the many distressing circumstances. Apart from that, I just wish to say a few points, and I hope, Sir, I will be able to finish them within the time limit fixed by you.

The first point concerns the excise duty on sugar. I am entitled to say a few words about sugar, because I come from a Province in India, the United Provinces, which is the most important as far as the production of sugar is concerned, and my district, the Gorakhpur district, is the

[Mr. A. Das.]

most important, because there are very large number of sugar producing factories. It is a travesty of facts that, when the sugar protection Act was passed, the object in view was that it would develop the sugar industry which it has done to a great deal, but it will not be mainly at the cost of either the consumer or the cultivator. The object at that time was that the benefits arising out of the sugar protection would be shared equally by the millowners, as well as by the cultivators. At that time when the Sugar Protection Bill was introduced, I said that there ought to be safeguards in the Bill so far as the cultivators are concerned. On the 6th February, 1932, when the Sugar Protection Bill was under discussion, the Honourable Sir George Rainy said at that time with regard to what has fallen from me as follows. I read from page 498 of the Assembly Debates, dated the 6th February, 1932:

"In reply to what has fallen from the last speaker"—(that is, referring to me), "I only wish to say this, that as I have already explained, we do attach importance to that aspect of the question,"

—that is the aspect of the question which I put forward from the point of view of the cultivator,—

"and that we are quite prepared to consider measures which are likely to prove satisfactory in practice, designed for the object he has in view. The difficulty is that it is not very easy to find effective measures, and as I have said, I think sooner or later it will probably rest with the Local Governments to take necessary action."

I am glad that, although the Government are never consistent, it is all to their credit in this particular instance. I am glad that this view, which was expressed by Sir George Rainy, is dissented from by the present Finance Member and he thinks that some legislation is possible in order to help the Local Governments to bring out some sort of legislation which will secure adequacy of prices to the cultivator. I must point out whether it can be effectively worked, because the fixing of prices of cane is a very difficult problem. It depends upon the supply and demand, and as you cannot fix the price of any other commodity, it is very difficult to fix that a cultivator should get a certain price. I submit there are many subterfuges by which the cultivator can be deprived of that price even if you fix it. So, while pointing out that it is economically difficult, I doubt very much whether it will be possible to give effective help to the cultivator by fixing any price. However, I welcome that as a salutary sign that the Government, after two years, at last have taken into their heads to provide some legislation by which the cultivator would be entitled to get a fair remunerative price for his cane. In my part of the district, I find that although the basic price of a maund of cane to a cultivator is not less than four annas, in many places they are hardly being paid even three annas. It does not even pay for the cartage. In some places they are being paid two annas and three annas. Though five annas is the nominal amount, they are supposed to get, really they get much less, if you take into account the payments to the intermediaries like the *tekadars*. So, by these subterfuges, the poor cultivator is deprived of a fair price for his cane. There is also the underweight which is practised by these *tekadars*, and the poor cultivator does not get paid for the actual quantity of cane that he brings. Then the question will be asked, why does the cultivator produce cane, if it does not pay him to do so. The answer is simple, because, of all the crops which can be grown at the present moment, cane is the most paying, and, because, as no other crop pays

owing to the cheapness of grain, they are cultivating a certain amount of cane although the amount paid for the produce of cane may not be sufficient.

Then, Sir, the next point in this connection which I wish to submit is that it is hard to have an excise duty which means that you are putting a tax on the consumer. Every sort of excise duty, although it may help the industry to a certain extent, affects the consumer, and that has got to be considered, and a duty should not be imposed simply because it helps the growth of a certain industry while the consumer is indirectly taxed. This point was very rightly brought out by Sir George Rainy at that time when a bait was held out in the Sugar Protection Bill; and, with your permission, I will read two sentences from what he said on the 1st April, 1932:

"It is very well-known that the high duty on sugar has raised the price so much that in combination with the great reduction in the resources of the people of the country it has reduced the consumption of sugar by a very large percentage. I am not in possession of the latest figures; no doubt the Honourable Commerce Member would be able to supply them if necessary. But I hope my friends will at least admit that the consumption of sugar has fallen by something like 50 per cent. in the last two years. Now, Sir, the consumption of sugar is a very important factor in the health of the nation and anything that tends to reduce it is to be looked at with very great jealousy."

If that was the view of Sir George Rainy at that time when the import duty was imposed, I submit that the imposition of this excise duty will affect it all the more—particularly in two ways. Firstly, it will not benefit the cultivator in spite of the legislation on that line about fixing prices. Secondly, it will be harmful to the consumer because sugar is one of those things which is used by almost everybody either in smaller or greater quantities. And the price they are paying is almost, as the Finance Member has said, three times that they were paying for Java sugar, and now it will be a little more. Therefore, the consuming capacity of the public, who are already paying a very high price for sugar, will be raised, because the millowners will try to put an extra price on their sugar. If they are selling at Rs. 9 now, after this excise duty they will sell at Rs. 10 which means a greater burden on the consumer, and secondly, it will not bring any relief to cultivators in spite of the proposed legislation. It is, therefore, from these points of view that I wish to oppose the imposition of the excise duty on sugar.

The next point to which I wish to invite the attention of the House is in connection with income-tax. I put certain questions in this Assembly to find out what was the number of appeals in income-tax and how many were allowed. The reply showed that there were 25,000 appeals from the assessments made by income-tax officers and over 50 per cent. of those appeals were allowed. This is scandalous and shows the extent to which the public is being harassed. So, I submit, that there is something wrong with the handling of income-tax because officers are being employed who have no legal training. I also put a question whether LL.B.'s or people who passed a law examination were employed as income-tax officers, or whether other people were employed. The reply was that lawyers are not necessarily to be employed. I think this post should not be given to those who have no legal training, the result being that they do not know the law of evidence, they do not know what evidence should or should not be taken, etc. Their one idea is that their promotion in the Department depends on increasing the amount of tax, with the result that the poor tax-payers suffer, and also with the result, as I have shown

[Mr. A. Das.]

before, that out of 25,000 appeals, nearly half were successful. That is one point to which I would invite the attention of the Department concerned that, so far as future appointments in the Income-tax Department are concerned, only those persons should be appointed who are lawyers or have some legal training.

The next point which I wish to submit in connection with the Finance Department relates to insurance policy. Sir, we all know that it is almost the birthright of every man that he can get himself insured wherever he likes and it is for him to choose which company he will accept, whether it is Government or a private company. Now, a recent circular, of which I hold a copy which has been issued by the Finance Department on the 13th November, 1933, has this in effect that where people are taking money from the provident fund in order to invest it in policies other than Government, they are being debarred from doing so. Many people wanted to withdraw from the provident fund, but this circular, after giving certain reasons, says in paragraph 3:

"The Government of India accordingly propose to include a specific provision in the rules of the various provident funds affected forbidding the utilisation of provident fund money for the payment of premia on pure endowment policies."

An 'endowment policy is defined in a previous paragraph of the circular as:

"a policy in which the insurance company undertakes to pay a fixed sum at a fixed date, with a provision that should the assured die before that date, the single premium or periodical premiums paid (plus in certain types nominal interest or profits intermediately declared) would be repaid to his estate."

I do not see why Government should force their servants to invest the money in policies which are subscribed by Government only and prevent it from being taken away from the provident fund and investing it in other policies. The reason given by Government is that they provide four per cent. interest. Other policies also provide four per cent. interest, but that is no reason. The provident fund belongs to him. If he likes, he can invest that provident fund in Government policies, he should also be entitled to invest that in any other policy, either payable by a single premium or a number of premiums as he likes. And I do not think a bar should be placed upon him to force him to invest it in Government funds only unless Government want to keep the money at any cost. They would not pay him the provident fund money or other money so long as he is in Government service. This circular is No. F.-20-VI-R.-II/32, dated the 13th November, 1933.

Sir, these are the two points which I wanted to submit in connection with the Finance Department. Now, with your permission, the next item which I should like to take concerns the Postal Department with regard to which I have got two or three points to raise. The first point I want to submit is that Members of this House know that, in other departments, for persons, drawing below Rs. 40, there is no cut in pay. But so far as the Railway and Postal Departments are concerned, for everybody, even for persons drawing Rs. 5, there is a cut in pay, though the cut is a graduated one. We find that in the Postal Department, those who are getting above Rs. 40, have to pay a cut of about $3\frac{1}{2}$ per cent., while those, who are getting below Rs. 40, after making allowance for the half remission, will get a cut of $1\frac{2}{3}$: for those whose pay is between 40 and 80, it comes to $3\frac{1}{2}$ per cent. I submit, there is no justification for making

any cut in the case of men getting below Rs. 40. After all, every man has a wife and child, and, under normal conditions, he must get at least subsistence wages: to a man getting ten rupees, one rupee is a much greater amount and its loss represents a much greater hardship than for a man who gets Rs. 4,000 who can easily lose 200; therefore, my submission for the serious consideration of the Honourable Sir Frank Noyce is that this cut, in the case of people getting below 40 rupees, should be restored: it would mean a loss of about three lakhs. If the Department really cannot afford this, I for one would be prepared that those who get between 40 and 80 should be made to pay four per cent. instead of $3\frac{1}{2}$ per cent. . . .

The Honourable Sir Frank Noyce: If I may interrupt the Honourable Member, I think he is a little generous in offering that concession at the expense of the people getting between Rs. 40 and Rs. 80.

Mr. A. Das: In any case I hope the Honourable Member will see that the man who gets below Rs. 40 is in greater need than the man who gets above 40; therefore, I say that, as far as I am concerned, I feel the case of those getting below 40 should be more sympathetically considered than the others. I want that the cut in the case of these poor men should be done away with, and I hope their deserving case will meet some consideration.

The next point about the Postal Department is that retrenchment has been carried out very drastically. During the retrenchment process carried on ceaselessly for three years, the poor employees have been hit hard and subjected to severe disabilities and discomforts, some of which only I am mentioning. The scale of pay for departmental branch postmasters, overseers, and head reader, and sorting postmen is higher than that for postmen and village postmen. The number of these appointments has been severely thinned under the retrenchment campaign as revealed by the replies given by the Honourable Member in charge of Industries and Labour to the questions put by me in the last September Session of this Assembly. The number of overseers in the whole of India and Burma, which stood at 993 at the end of the official year 1931-32 as against 1,060 in the preceding year, underwent a further reduction of 123 during the period from 1st January, 1932, to 31st May, 1933. This phenomenon is likewise noteworthy in the case of head postmen. On the 31st March, 1932, these categories comprised 30,480 officials compared with 31,354 on the corresponding date of the previous year; but they were thinned by the elimination of 2,391 men between the 1st January, 1932, and 31st May, 1933. If you want to cut down and retrench by getting men getting 15 or 20 rupees and not seriously affecting those who get above 3,000, I submit, that is no retrenchment. It is a purely selfish policy which does not touch the bigger men, but, in order to show to the outside world that you are retrenching, you cut down men on the lowest rung of the ladder irrespective of their number and of how it affects them. Life is one for everybody, whether it is a man getting Rs. 5,000 or Rs. 5 per month: one has as much a right to live as the other: then, why do you not cut down more men getting high salaries, and why do you cut down men in thousands who draw only Rs. 15 a month or less?

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Mr. A. Das: May I have just five minutes more, Sir? I will just finish this item. The case of departmental branch postmasters in this respect makes astounding reading. Departmental branch post offices number 1,210 on the 31st March, 1932, as against 1,319 on the same date of 1931, and, of these, as many as 761 were converted into extra departmental ones from the 1st January, 1932, to 31st May, 1933, and if these converted are added to those abolished, which may not be a few, the havoc wrought would be a revelation indeed. The process of abolition and conversion is still being pursued with unabated rigour and the state of things at this moment can well be imagined.

I will leave other matters: but there is only one which I would like to bring up and that is the pension of postmen. It has been fixed that no postman below Rs. 40, no matter what his pay is, can get a pension exceeding Rs. 6. This matter has been brought up at various times in the Assembly, and I submit it is a standing grievance why he should not get half of his pay as pension. If a man getting Rs. 2,000 or Rs. 3,000 as pay can get half his pay as pension, why should not this poor man get at least half his pay as pension? Can a man live on Rs. 6 per month? There is no reason why the same rules, which govern higher paid men, should not be extended to these men who get below Rs. 40. This is a standing grievance for the last several years, and I would invite the Postal Department to look into it.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 3rd March, 1934.

LEGISLATIVE ASSEMBLY.

Saturday, 3rd March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

DAMAGE FROM FLOODS SUFFERED BY THE ROHTAK AND GURGAON DISTRICTS.

336. ***Mr. J. Ramsay Scott** (on behalf of Mr. G. Morgan): (a) Is it a fact that both the Rohtak and Gurgaon districts suffered severe damage from floods in September, 1933?

(b) Has the Rohtak district received any sum for relief from the Famine Relief Fund or from any other Government of India Fund? If so, will Government please state the amount?

(c) Is it a fact that the Gurgaon districts received Rs. 20,000 from the Famine Relief Fund and Rs. 10,000 from the Indian People's Famine Trust?

(d) Is it a fact that out of those amounts the Ingram-Skinner estate, comprising 30 villages, received only Rs. 915 in cash?

(e) Will Government please state whether the distribution of relief funds was the same *per capita* for both the Rohtak and Gurgaon districts? If not, why not?

Mr. G. S. Bajpai: (a) Yes.

(b), (c), (d) and (e). According to information received in November last, the Punjab Government distributed a sum of Rs. 60,000 from the Provincial Famine Relief Fund for the relief of distress in flooded areas in the districts of Rohtak, Gurgaon, Karnal and Ambala. A sum of Rs. 50,000 was also granted for the same purpose from the funds of the Indian People's Famine Trust. The Government of India have no information as to the allocation of these grants between the various districts or as to the basis on which the allocation was made by the Local Government.

Mr. B. Das: May I inquire if the Government of India grant donations from the Indian People's Famine Trust based on the need of the people and if the allotment of Rs. 40,000 to Orissa floods was in the same proportion as the Rs. 50,000 given to the Rohtak district?

Mr. G. S. Bajpai: In the first place, I should like to make it clear that the allocation is made not by the Government of India, but by the Committee of Management of the Indian Famine Trust.

As regards the second part of my Honourable friend's question, I would refer him to my answers which I gave to the supplementaries asked by Mr. Sitakanta Mahapatra in the last Session of the Assembly.

Mr. J. Ramsay Scott: Will Government be pleased to obtain particulars?

Mr. G. S. Bajpai: No, Sir, because this is primarily a matter of provincial concern and can suitably be raised in the Provincial Council.

GRIEVANCES OF DECK PASSENGERS ON BRITISH INDIA STEAM NAVIGATION BOATS PLYING BETWEEN BOMBAY AND DURBAN.

337. *Maulvi Sayyid Murtuza Saheb Bahadur: (a) Has the attention of Government been drawn to a statement made by Mr. Ismail Ahmed of South Africa and published in the *Bombay Chronicle*, dated the 5th May, 1933, regarding the grievances of deck passengers on British India Steam Navigation boats plying between Bombay and Durban?

(b) Is the allegation, contained in the statement, that no urinal is provided for deck passengers who may number from 1,000 to 1,200, true?

(c) Is it a fact that no water tap is provided for deck passengers using the upper deck?

(d) Is it a fact that when the boat stops at a port—say Mombasa,—the deck passengers have no shelter from rain, wind and the burning sun—sometimes for three or four days?

(e) Has any representative of the Government of India acceded to the request made by Mr. Ismail Ahmed that he should personally visit the two boats "Tairea" and "Takliwa" of the British India Steam Navigation Company?

(f) Do Government propose to take any steps to redress the grievances and lessen the hardships of the African deck passengers?

The Honourable Sir Joseph Bhore: (a) Government have seen the statement referred to.

(b)–(f). Enquiries are being made and a reply will be laid on the table of the House as soon as possible.

SHIFTING OF THE HEADQUARTERS OF THE AGENT TO THE GOVERNOR GENERAL OF THE EASTERN STATES AGENCY FROM RANCHI TO SAMBALPUR.

338. *Mr. Sitakanta Mahapatra: (a) Will Government be pleased to state if it is a fact that the headquarters of the Agent to the Governor General of the Eastern States Agency are proposed to be shifted from Ranchi to Sambalpur?

(b) Is it a fact that Sambalpur is more centrally situated than Ranchi, and that from this place most of the States have been supervised for a long time?

Mr. H. A. F. Metcalfe: (a) and (b). Ranchi has been chosen temporarily as the headquarters of the Eastern States Agency, and the advantages, if any, of Sambalpur as the headquarters of the Agency will be taken into consideration when the time comes for reaching a decision on the location of the permanent headquarters. The attention of the Honourable Member is invited to the reply given by me to Mr. B. N. Misra's question No. 1062 on the 1st April, 1933.

EXPENSES INCURRED FOR ESTABLISHING THE HEADQUARTERS OF THE AGENT TO THE GOVERNOR GENERAL OF THE EASTERN STATES AGENCY AT RANCHI.

339. *Mr. Sitakanta Mahapatra: (a) Will Government be pleased to state what have been the preliminary expenses for establishing the headquarters of the Agent to the Governor General for the Eastern States Agency at Ranchi, such as:

- (i) new buildings, if any,
- (ii) monthly rent for hiring buildings, if any, and
- (iii) other necessary expenses?

(b) Is it a fact that most of these expenses could have been avoided had the offices been opened at Sambalpur?

(c) Is it not a fact that the situation of the Agent's Office at Ranchi and one of the Secretary's Office at Sambalpur leads to duplication of office staff and extra expenses?

(d) Is it a fact that there are enough buildings at Sambalpur to accommodate the Agent's Office without any extra expenses?

Mr. H. A. F. Metcalfe: (a) (i) No new buildings have been constructed at Ranchi.

(ii) The monthly rent of buildings payable by Government is Rs. 178.

(iii) The following other preliminary expenses have been incurred:

	Rs
Cost of furniture so far purchased	5,092
Cost of office equipment	1,384
Transportation of records, etc.	1,150
Total	7,626

(b) No.

I would add that economy was one of the strongest considerations when the existing arrangements were made. The attention of the Honourable Member is invited to the reply given by me on the 1st April, 1933, to Mr. B. N. Misra's question No. 1062.

(c) No.

(d) No.

CREATION OF NEW OFFICE OF THE POLITICAL AGENT FOR THE STATES OF ORISSA AND THE CENTRAL PROVINCES.

340. *Mr. Sitakanta Mahapatra: (a) With reference to the starred question No. 1063, dated the 1st April, 1933, page 3012 of the Legislative Assembly Debates, Vol. IV, 1933, regarding creation of the new office of the Political Agent for the States of Orissa and the Central Provinces, will Government be pleased to state if the arrangements as contemplated in their reply to part (vii) have been modified to any extent?

(b) Are Government now prepared to make a statement as regards parts (viii) and (ix) of the said question?

Mr. H. A. F. Metcalfe: (a) No, except that one post of Assistant has been kept in abeyance and the savings utilised to engage three temporary typists.

(b) As regards part (viii) of the previous question the percentage of Oriyas in the Agency establishment is 76. As regards part (ix) 18 clerks were taken from the Political Agent and Commissioner's office and seven more have since been taken in leave and other vacancies.

Mr. Sitakanta Mahapatra: What are the nationalities of the extra men taken?

Mr. H. A. F. Metcalfe: I could not hear the question.

Mr. Sitakanta Mahapatra: What are the different communities to which the extra staff taken belong?

Mr. H. A. F. Metcalfe: I cannot say, Sir. That does not arise out of this question. The question was, how many clerks were taken from the Political Agent's office. That question I have answered.

UNSTARRED QUESTIONS AND ANSWERS.

APPOINTMENT OF PRESS MANAGERS AS CONTROLLER OF PRINTING AND STATIONERY.

101. **Mr. D. K. Lahiri Chaudhury:** Do Government propose to do away with the practice of appointing Press Managers to the Controllorship as the head of the Printing and Stationery Department?

The Honourable Sir Frank Noyce: Government propose, as in the past, to select the best officer available. Experience in the management of a press, while not indispensable, is a valuable qualification and Government have no intention of excluding qualified Managers from consideration.

GAZETTED OFFICERS WITH UNIVERSITY QUALIFICATIONS IN THE PRINTING AND STATIONERY DEPARTMENT.

102. **Mr. D. K. Lahiri Chaudhury:** How many gazetted officers are there in the Printing and Stationery Department with University qualifications?

The Honourable Sir Frank Noyce: Three.

GRADUATES IN THE PRINTING AND STATIONERY DEPARTMENT.

103. **Mr. D. K. Lahiri Chaudhury:** (a) How many graduates are there in the Printing and Stationery Department drawing a salary from Rs. 200 and above?

(b) How many graduates are there in the Printing and Stationery Department drawing a salary from Rs. 100 to Rs. 200?

(c) How many graduates are there in the Printing and Stationery Department drawing a salary from Rs. 30 to Rs. 100?

The Honourable Sir Frank Noyce: The information has been called for and will be placed on the table of the House in due course.

APPOINTMENT OF THE MANAGER OF PUBLICATIONS BY THE CONTROLLER OF PRINTING AND STATIONERY.

104. **Mr. D. K. Lahiri Chaudhury:** Will Government please state whether it is a fact that, by a recent notification, the Controller of Printing and Stationery has been vested with the power of making appointment to the post of Manager of Publications without the sanction of the Government of India? If so, will Government please state the reason behind the issue of the notification?

The Honourable Sir Frank Noyce: Yes, but this delegation of power is subject to any general or special orders which may be issued in this behalf by the Governor General in Council. Similar delegation of power in respect of posts in Central Service Class II has been made to other heads of Departments also as a matter of general policy under rule 84 of the Civil Services (Classification, Control and Appeal) Rules.

PROMOTION TO PERMANENT VACANCIES IN THE CENTRAL PUBLICATION BRANCH.

105. **Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that the officiating Manager of the Central Publication Branch has of late reported to the Controller of Printing and Stationery that some men, who were eligible for promotion to the permanent and quasi-permanent vacancies in assistant's grade from the clerical grade of the office, intimated their unwillingness to accept the lift?

(b) Is it a fact that on the above ground he advanced the suggestion of appointment of his own nominees, viz., Messrs. Prithi Singh and Charan Das in the vacant posts in the assistants' grade?

(c) How many men in the permanent cadre were actually offered the promotion?

(d) What are their names?

(e) Who are the men who declined the offer of promotion to the higher ministerial rank?

(f) Is it a fact that some men expressed their willingness to accept the promotion in writing?

(g) Do Government propose to inquire thoroughly what considerations weighed with the Manager of Publications in brushing aside the claims of senior permanent men of the office?

(h) How many clerks in the permanent cadre of the office had had promotions in the officiating capacity in the assistants' grade previously since 1925? What are their names? What are the respective lengths of their officiating period?

(i) Were all these men offered promotion? If not, why not?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The men were recommended on the ground of efficiency.

(c), (d) and (e). No men were actually offered promotion to the Assistants' grade, but three men who were asked if they would accept a post if offered, declined.

(f) Yes.

(g) No.

(h) and (i). Government are not in possession of this information.

AMOUNTS ADVANCED TO THE CENTRAL PUBLICATION BRANCH STAFF ON
TRANSFER FROM CALCUTTA TO DELHI.

106. **Mr. D. K. Lahiri Chaudhury:** (a) Are Government aware that the amounts advanced by the Central Publication Branch to the staff of the office to meet the transportation charges of personal effects, in consequence of transfer from Calcutta to Delhi, are being realised from the majority of the staff under orders of the Controller on the ground that the staff failed to produce the luggage receipt in support of expenditure?

(b) Is it a fact that the aggrieved staff sent up memorials to the Joint Secretary to the Government of India, Department of Industries and Labour, praying for exemption from submission of luggage receipts and passage of their respective travelling allowance bills unsupported by luggage receipts?

(c) Is it a fact that the Controller of Printing and Stationery in Calcutta was wired to by the staff, praying for the staying of the orders for refund pending the decision of the memorials?

(d) Is it a fact that the Controller replied back to the staff telegraphically that the matter was referred to Government?

(e) Is it a fact that the memorials were withheld by the Controller? If so, under what circumstances?

(f) Will Government please state how the Controller's telegram to the staff, intimating reference to Government and his action withholding the memorials, are reconcilable?

(g) Will Government please lay on the table a statement showing the net salaries drawn by the staff for the months of December, 1933, and January, 1934?

(h) Is it a fact that such a statement was obtained by the Headquarters office of the Controller of Printing and Stationery in disposing of the memorials?

(i) Do Government propose to inquire into the extent of hardships the majority of the staff have been experiencing due to the recovery of the amount drawn in three instalments?

(j) Is it a fact that there are about a dozen men who are getting net salaries, after deduction, ranging between Rs. 5-14-0 to Rs. 20?

(k) Do Government propose to review the position in a sympathetic light?

The Honourable Sir Frank Noyce: (a), (b), (c) and (d). Yes.

(e) The memorials were withheld because the memorialists asked for a pecuniary concession to which they had no claim.

(f) An informal reference was made to my Department.

(g), (h) and (j). Government have no information and I do not propose to lay a statement on the table. But if there is such a statement in the Controller's office, I do not doubt that he will be willing to allow any Honourable Member to inspect it.

(i) Government do not consider that any hardship is involved in the recovery of money advanced for travelling allowance which proved to be in excess of the expenditure for which it was granted.

(k) Government have no such review in contemplation, but the Controller is inquiring into allegations that travelling allowance has been drawn improperly in certain cases.

HOURS OF DUTY IN THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI

107. **Mr. S. G. Jog:** Will Government please state:

(a) the duty hours of each class of Government servants employed at the Railway School of Transportation, East Indian Railway, Chandausi, during the period (i) 1st April, 1932 to 31st March, 1933, (ii) 1st April, 1933 to 30th June, 1933, (iii) 1st July, 1933 to 31st October, 1933, and (iv) 1st November 1933 to 31st January, 1934;

(b) the number of persons employed in each class of Government servants during the said periods respectively;

(c) the reasons for any fluctuations?

Mr. P. R. Rau: Government have no information.

BRITISH INDIAN ARMY SENT TO THE ALWAR STATE.

108. **Mr. S. G. Jog:** (a) Is it a fact that the British Indian Army was sent into the Alwar State territory at the beginning of last year to restore order in the State?

(b) What was the composition of the Army, both Indian and British troops, and what were the names of the battalion, etc?

(c) How long did they stay in Alwar?

(d) How many troops have returned to their headquarters and how many still remain there?

(e) If some troops still remain at Alwar, for how long is their presence there necessary?

Mr. G. R. F. Tottenham: (a) and (b). The attention of the Honourable Member is invited to the answers I gave on the 7th February, 1933, and the 8th March, 1933, to starred questions Nos. 222 and 712, respectively. The troops were:

Cavalry.—The Central India Horse (21st King George's Own Horse) less one squadron;

Signals.—3rd Cavalry Brigade Signal Troop;

Infantry.—1st Battalion Kumaon Rifles, subsequently relieved by the 4th Battalion, 8th Punjab Regiment;

Royal Tank Corps.—Detachment, 8th Armoured Car Company (On Section);

Indian Army Service Corps.—Detachment, 39 Section,

No. 24 Mechanical Transport Company; Detachment, 43 Section

No. 25 Mechanical Transport Company; Detachment No. 1 Independent Brigade Supply Company.

(c) Seven months and four days.

(d) All troops have returned to their peace stations.

(e) Does not arise.

BRITISH INDIAN ARMY SENT TO THE ALWAR STATE.

109. **Mr. S. G. Jog:** (a) Will Government please state the cost of the expedition sent at the beginning of last year to Alwar State up to 31st December, 1933?

(b) How do Government propose to meet this expenditure?

(c) Has any amount towards this expenditure been recovered from the State? If not, why not?

(d) Will Government kindly state the policy when an expenditure of this nature has been incurred in an emergency?

Mr. G. R. F. Tottenham: (a), (b) and (c). Claims for Rs. 2,23,195, representing expenditure brought to account up to the 31st December, 1933, have been preferred against the Alwar Durbar. A sum of Rs. 16,565 has been realised from the State so far and action to recover the balance has been taken.

(d) Expenditure in such cases is met by the State concerned.

AMBALA CANTONMENT ADMINISTRATION PROCEEDINGS IN THE JUDICIAL COURTS OF AMBALA.

110. **Khan Bahadur Haji Wajihuddin:** (a) Are Government aware that in his last inspection report, the Inspecting Officer, Military Lands and Cantonments, Northern Command, has made the following observations relating to the conduct of proceedings in Judicial Courts of Ambala, in civil cases arising out of the administration of the Ambala Cantonment:

"The situation is very unsatisfactory and connotes a spirit of non-co-operation and lawlessness among the civil population as a whole.

The Board is experiencing great difficulty in removing unauthorised buildings by the action of the local Civil Courts in issuing injunctions on the Board to refrain from dismantling these buildings.

The Executive Officer finds it extremely difficult to carry out the Board's orders to dismantle unauthorised buildings owing to the action of the Civil Courts in granting injunctions against the action by the Board."

(b) Are Government aware that a resolution condemning such indirect strictures on the working of the Judicial Courts of Ambala has been tabled for the next meeting of the elected Board of the Ambala Cantonment?

(c) Are Government aware that people regard such observations as an attempt to influence Judicial Courts in favour of Military Officer's action in the Cantonment Board?

(d) Do Government propose to take action to stop such remarks on the conduct of judicial affairs in the King's Judicial Courts at Ambala?

Mr. G. R. F. Tottenham: (a) Yes.

(b) No.

(c) and (d). Government are quite sure that the observations were not intended in any way to influence the judicial courts, but they will bring the matter to the notice of the authorities concerned.

REVISION OF THE WATER AND SCAVENGING TAXES IN THE AMBALA CANTONMENT.

111. **Khan Bahadur Haji Wajihuddin:** (a) Are Government aware that water and scavenging taxes in the Ambala Cantonment have been revised in the special meeting of the Board held on the 9th February, 1934, on the following lines:

(i) That both the taxes be levied upon people living in houses of the rental value of Re. 1 a month hitherto exempt from the payment of these taxes;

(ii) That both the taxes be levied upon shops, offices, workshops, etc., not taxed so far,

(iii) That a scavenging tax be levied even on houses having no 'latrines', hitherto exempt from that tax;

(iv) That both the taxes be levied on religious and charitable buildings hitherto exempt from those taxes;

(v) That the minimum scavenging tax to be charged in case of a building having a rental value of Rs. 3 a year be 8 annas a month; and

(vi) That both the taxes be in future realised from the owners of buildings and not from the tenants as has been the practice so far?

(b) Are Government aware that out of seven non-official members of the Ambala Cantonment Board, only one member supported the above revision of taxes and that the revision was made with the help of the official majority?

(c) Is it a fact that the revised proposals, as sanctioned by the majority of the Board on the 9th February, 1934, were published by the Executive Officer on the 14th February, 1934, with the intimation that objections, if any, to those proposals be submitted to him by or on the 16th February, 1934?

(d) Will Government be pleased to explain, under what section of the Cantonments Act, the Executive Officer has published the proposals for public objections and allowed two days time for submitting the same?

(e) If there be no section in support of this action of the Executive Officer, what steps do Government propose to take to stop this illegality committed by the officer concerned?

Mr. G. R. F. Tottenham: I have no information. I am making enquiries and will lay a reply on the table in due course.

SADDAR BAZAR SEPARATION COMMITTEE, AMBALA.

112. **Khan Bahadur Haji Wajihuddin:** (a) Have Government received certain communications desiring

(i) that the terms of reference of the Saddar Bazar Separation Committee, Ambala, and the Saddar Bazar Separation scheme prepared by the Inspecting Officer, Northern Command, be published;

(ii) that the meeting of the Committee be open to the public; and

- (iii) that the Committee should frame a questionnaire and publish the same to invite public opinion and should examine witnesses representing the important interest and communities of the Cantonment?
- (b) If so, what action have Government taken in the matter?

Mr. G. R. F. Tottenham: (a) The answer is in the negative.

(b) Does not arise.

EXCISION OF THE SADDAR BAZAR FROM THE AMBALA CANTONMENT.

113. **Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state and explain the reasons that have led them to consider the possibility of the excision of the Saddar Bazar from the Ambala Cantonment?
- (b) Is the excision of populous Saddar Bazar from the Cantonment a matter of general policy or are there any special reasons for separating the Saddar Bazar in case of the Ambala Cantonment only?
- (c) Did the Government of India ask the Local Government to report about the desirability of such a separation in the case of Ambala?
- (d) Have Government received such a report, and, if so, what is the recommendation of the Local Government?
- (e) Has any scheme of the excision of the Saddar Bazar from the Ambala Cantonment been prepared by the Inspecting Officer, Military Lands and Cantonments, Northern Command? If so, do Government propose to publish the scheme for the information of the Ambala public?
- (f) Is it a fact that a Saddar Bazar Separation Committee has been appointed to consider the possibility of separation according to the above scheme or by any modification thereof?
- (g) Is it a fact that public meetings have been held in the Ambala Cantonment under the auspices of the Residents' Association, Ambala, protesting against the insufficiency of non-official representation on the above Committee and demanding that the number of non-official members should be equal to the number of official members on the Committee and that the right of nominating non-official members should be extended to the Residents' Association or to its parent body, the All-India Cantonments Association?
- (h) What action have Government taken in this matter? If the appointment of members to this Committee be in the power of the Local Government, do Government propose to ask that Government to consider the Residents' Association's suggestions?
- (i) What action do Government propose to take to ensure that the views of the Ambala people as regards excision on its various aspects would be known to the above Committee before submitting its report?

Mr. G. R. F. Tottenham: (a) and (b). The question of the separation of the Saddar Bazar from the Ambala Cantonment has been under consideration for a long time. In 1919, the All-India Cantonments Association passed a resolution demanding the separation of sadar bazars from cantonments. At their Conference in January, 1922, the All-India Cantonments Association again pressed for the immediate separation of sadar bazars from cantonments. It was recognised that some sadar bazars had

grown far larger than was actually necessary for the requirements of cantonments. Government then accepted the general principle that, wherever it was geographically and administratively practicable and convenient, sadar bazars should be excluded from cantonments and either formed into a separate municipality or included in some existing adjacent municipality. Ambala was considered to be one of the cantonments which fulfilled these conditions; exclusion was also considered desirable on administrative grounds. The Punjab Government was accordingly asked in March, 1922, to consider the question of excluding the Saddar Bazar, Ambala. The Local Government favoured separation and appointed a committee to frame detailed recommendations. The report was duly considered by the Local Government and the Government of India, but a change took place in popular opinion owing to the introduction of Cantonment Reforms in 1923-24 and it was decided to drop the proposal for the time being. When this decision was reached it was realised that the question might have to be reconsidered if experience showed that the task of administering this large Saddar Bazar under the new Cantonment Act was too heavy a burden for the military authorities. This has proved to be the case, and for this reason and also because the administration of large civil areas is not an appropriate military function and imposes a heavy responsibility on the military authorities to the detriment of their more legitimate duties, the question of separating the Saddar Bazar was re-opened in March, 1932, and has been under consideration ever since. At a conference with the representatives of the All-India Cantonments Association, in June, 1932, the question of separating sadar bazars from cantonments was raised and the possibility that the Saddar Bazar in Ambala might be excised was mentioned to the deputation, and it was understood that the people would not object to such a course.

(c) The views of the Local Government were invited on the question of the practicability of excluding the Saddar Bazar from the Cantonment.

(d), (e) and (f). A provisional scheme prepared by the I. O., M. L. and C., Northern Command, is being examined on the 1st March 1934 and subsequent days by a committee appointed by the Local Government consisting of representatives of the Government of India and the Local Government, and two non-official members nominated by the Local Government to represent the interests of the Saddar Bazar and the remaining area. The Local Government will submit their recommendations to the Government of India after the committee have submitted their report and it is not considered desirable to publish the provisional scheme meanwhile.

(g) The Honourable Member's information is no doubt correct.

(h) The wishes of the Association have been brought to the notice of the Local Government and the Honorary Secretary, All-India Cantonments Association, has been informed that this has been done. The selection of non-official members for the committee is the concern of the Local Government, who appointed the committee.

(i) Government do not propose to take any further action in the matter.

BYE-LAWS ABOUT CONSTRUCTION OF BUNGALOWS IN CERTAIN CANTONMENTS.

114. **Khan Bahadur Haji Wajihuddin:** (a) Is it a fact that the Northern Command has issued orders, under section 52(1)(a) of the Cantonments Act of 1924, to certain Cantonments under its control, to frame

bye-laws under section 186 (b) to enforce that all bungalows to be built in these Cantonments in the future should conform to certain standard plans and designs to be prescribed by the Cantonment Authorities?

(b) Are Government aware that such bye-laws have been introduced in the Ambala and Rawalpindi Cantonments against the wishes of the elected members of these Cantonments?

(c) Will Government be pleased to state the nature of these bye-laws and explain how they are connected with the provisions of section 186 (b)?

(d) Will Government be pleased to state the reasons for directing the framing of such bye-laws? Are Government aware that these will operate very prejudicially to the interests of the house-owners?

(e) Is it a fact that the sub-clauses given under section 181 of the Cantonments Act already ensure that all residential buildings should be safe and constructed on sanitary principles? What was the necessity for the new bye-laws? Why is uniformity of design and plan considered necessary in the future bungalows of the Cantonments?

(f) Are Government aware that the re-building of houses according to the prescribed design and plan will entail a heavy cost to the house-owners, and are Government aware that the majority of them cannot afford to meet such expenses in these days of economic depression?

(g) Are Government prepared to give an assurance that this is not a move to resume lands on the ground of the owners' inability to re-build dilapidated houses according to the plan and design prescribed?

(h) Will Government please explain their position in full in this matter to allay the feeling roused among the house-owners of Cantonments?

Mr. G. R. F. Tottenham: I have called for a report and will lay a reply on the table in due course.

CRITICISM BY CANTONMENT BOARD MEMBERS OF THE GOVERNMENT OF INDIA.

115. Khan Bahadur Haji Wajihuddin: (a) Are Government aware that an elected member of the Ambala Cantonment Board was criticising certain instructions received from the Government of India and the Northern Command about taxation in the Ambala Cantonment in the special meeting of the Board held on the 9th February, 1934, when the President called the member to order by remarking that the oath of allegiance taken under section 18 of the Cantonments Act militated against such criticism against the Government of India?

(b) Is it a fact that the following ruling has been recorded in the proceedings of the meeting of the Board referred to above:

"The Chair called Mr. to order for criticising the Government of India, and ruled that the oath of allegiance prevented the conduct of the Government of India being criticised."

(c) Are Government aware that the above ruling of the President is considered by elected members to be entirely wrong and an abuse of his powers, to stifle legitimate criticism of proposals coming before the Board? Are Government prepared to consider the advisability of issuing necessary instructions in the matter?

Mr. G. R. F. Tottenham: Government have no information.

I have called for a report and will lay the reply on the table in due course.

RULINGS ISSUE BY THE NORTHERN COMMAND TO THE CANTONMENT AUTHORITIES ON VARIOUS MATTERS.

116. Khan Bahadur Haji Wajihuddin: (a) Are Government aware that of late the Northern Command has begun to issue rulings to the Cantonment Authorities under its control on various matters pertaining to Cantonment Administration and also interpretations of the various sections of the Cantonments Act and the rules framed thereunder?

(b) Will Government please state if the Command has got such a power or right under any specified law or convention?

(c) Is it a fact that so far this right has been exercised by the Government of India?

(d) Are Government aware that the Northern Command rulings are frequently challenged by elected members of certain Boards?

(e) Do Government propose to issue instructions that no rulings should be issued by any authority except the Government of India?

Mr. G. R. F. Tottenham: (a) Government have no information.

(b) The Officer-Commanding-in-Chief, the Command, has certain statutory powers and functions under the Cantonments Act, and in the absence of any specific evidence to the contrary Government have no reason to believe that he exercises them improperly.

(c) The answer is in the negative.

(d) Government have no information.

(e) No.

CONSOLIDATION AND TARRING OF THE BANK ROAD IN AMBALA.

117. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that by an order issued under section 25 of the Cantonments Act, the Executive Officer, Ambala, directed the consolidation and tarring of the Bank Road and its extension?

(b) Is it a fact that the consolidation and tarring of this road was not included in the programme of roads sanctioned to be tarred and consolidated during the current year by the Ambala Cantonment Board, and, if so, under what authority?

Mr. G. R. F. Tottenham: Information has been called for and a reply will be laid on the table in due course.

BYE-LAWS PROHIBITING THE CONSTRUCTION OF UPPER STOREYS IN HOUSES IN CERTAIN AREAS IN THE CANTONMENTS.

118. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that the Northern Command has issued orders under section 52 (1) (a) of the Cantonments Act, directing several Cantonments under its control to frame bye-laws under section 186 (b) prohibiting the construction of upper storeys in the houses situated in certain areas including Bazars?

(b) Are Government aware that, acting on these orders, the Cantonment Boards of Rawalpindi and Ambala have framed bye-laws to the above effect?

(c) Will Government be pleased to state what is the object of framing such bye-laws, in whose interest this step has been taken, and how those interests will be served and advanced by such a step?

(d) Are Government aware that, from the Indian point of view, upper storeys of Indian houses are considered to be their healthiest portion and that Indians, not living in bungalows, generally live in the upper storeys?

(e) Are Government aware of the intense and wide-spread dissatisfaction to which the proposed bye-laws have given rise in the Cantonments of Rawalpindi and Ambala?

(f) Do Government propose to direct the withdrawal of these bye-laws by the Cantonment Authorities which have passed them?

Mr. G. R. F. Tottenham: I have called for a report and will lay a reply on the table in due course.

SUSPENSION OF RESOLUTIONS PASSED BY THE CANTONMENT BOARDS IN THE NORTHERN COMMAND.

119. Khan Bahadur Haji Wajihuddin: (a) Are Government aware that of late the Headquarters, Northern Command, have issued a number of orders under section 52 (1) (b) of the Cantonments Act, 1924, suspending resolutions of the elected boards under the control of the Northern Command?

(b) Will Government be pleased to state the number of such orders passed under the above section during the last six months?

(c) Is it a fact that almost all such orders are signed by the Inspecting Officer, Military Lands and Cantonments, Northern Command, on behalf of the General Officer Commanding-in-Chief, Northern Command?

(d) Are Government aware that the Cantonment Board, Ambala, on receiving such an order suspending resolution of the Board sanctioning the construction of the local Gurdwara, questioned the validity of the order on the ground that it was not signed by the General Officer Commanding-in-Chief in whom was vested the power of suspending the resolution under the above section?

(e) Is it a fact that on this objection being raised, the first order signed by the Inspecting Officer for General Officer Commanding-in-Chief was cancelled and that a fresh order signed by the General Officer Commanding-in-Chief himself was issued in its place?

(f) Is it a fact that even after the tacit admission of the above objection raised by the Ambala Cantonment Board, the Inspecting Officer has been issuing similar orders under his own signature on behalf of the General Officer Commanding-in-Chief?

(g) Are Government aware that orders under section 52 (1) (b) were issued in six cases in December last and that the Inspecting Officer has signed all these orders on behalf of the General Officer Commanding-in-Chief?

(h) Do Government propose to issue instructions that orders issued under the Statutory powers vested in the General Officer Commanding-in-Chief should be signed by him alone?

Mr. G. R. F. Tottenham: (a) to (g). Government have no information. (h) Government have already issued instructions to all concerned that either the letter conveying a direction under section 52 (i) (a) and (b) of the Cantonments Act, 1924, should be signed by the Officer Commanding-in-Chief, the Command, or that the direction itself should be made in writing by the Officer Commanding-in-Chief, the Command, and be quoted by the Inspecting Officer, Military Lands and Cantonments in the letter conveying it to the Cantonment Authority.

SUSPENSION OF RESOLUTIONS PASSED BY THE CANTONMENT BOARDS IN THE NORTHERN COMMAND.

120. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that there are two stages in the issuing of orders under section 52(1) (b) Cantonments Act, the first stage being the temporary suspension of the Board's resolutions and the second stage being the final disposal of the resolution suspended?

(b) Is it a fact that the intermediary interval is provided to give the Cantonment Board concerned an opportunity to show cause against suspension or eventual cancellation of the resolution?

(c) Is it a fact that in almost all the orders issued by the Northern Command under section 52 (1) (b), the reasons for suspension were not given by the officer issuing the orders, nor was the Cantonment Board called upon to show cause against such orders?

(d) Do Government propose to issue instructions that in all cases, where orders are issued under section 52 (1) (b), the reasons for the same will be recorded in writing and that the Board concerned be given an opportunity to show cause under that order?

Mr. G. R. F. Tottenham: (a) and (b). The answer is in the negative. I may, however, explain that clause (b) of sub-section (1) of section 52 empowers the Officer Commanding-in-Chief, the Command, to direct suspension and thereafter to cancel the suspension or direct that the decision shall not be carried into effect, etc. It is impossible to read into the clause words which it does not contain; and there is, therefore, no statutory obligation on the Officer Commanding-in-Chief, to give the Cantonment Authority an opportunity of showing cause in the interval between directing suspension and either cancelling the suspension or directing that the decision shall not be carried into effect, etc.

(c) Government have no information.

(d) Government do not propose to issue any instructions in the sense desired.

FITTING OF SLEEPING BOARDS IN PILGRIM SHIPS.

121. Khan Bahadur Haji Wajihuddin: (a) Is it a fact that pilgrim-ship rule 71 is as follows:

"In every compartment allocated for the accommodation of pilgrims and occupying the full breadth of the ship, there shall be fitted along the ship's side sleeping boards, for the use of the pilgrims, of sufficient strength, to the satisfaction of the Inspector. The sleeping boards shall be so arranged as to provide, so far as practicable, a continuous shelf 6 feet in width along the ship's side at a height of 3 feet 6 inches above the deck. The boards may be made in convenient sizes, and may be portable and capable of being folded against the ship's side or of being removed when not required for the use of the pilgrims."

(b) Is it a fact that the shipping company has fitted two of their smallest pilgrim ships, "Jekangir" and "Alavi", with sleeping boards, and the other ships which have so far sailed from Bombay and Karachi, viz., "Rezwani", "Rehmani" and "Khosru" have not been fitted with these sleeping boards?

(c) If the replies to parts (a) and (b) are in the affirmative, will Government be pleased to state who is responsible for the non-enforcement of the rule, and what steps they propose to take against the party concerned?

Mr. G. S. Bajpai: (a) and (b). Yes.

(c) At the Company's request the Government of India agreed that during the current season only two ships may be fitted with sleeping boards as an experimental measure. On receipt of a report on the working of the experiment, the question whether the rule should be brought into full operation during the Haj season of 1934-35, will be considered.

PROVISION OF A BOX FOR COMPLAINTS IN PILGRIM SHIPS.

122. **Khan Bahadur Haji Wajihuddin:** (a) Is it a fact that pilgrim ship rule 172 is as follows:

"The master, owner or agent shall place at a conspicuous place, accessible to pilgrims, a sealed box and writing materials to be provided by the Port Haj Committee of the port of departure, so that pilgrims may write any complaints that they may have had and put the paper in the said box through an opening provided for this purpose. On arrival at the port of Jeddah, the master shall make over the box, with its contents, to a responsible officer deputed for this purpose by His Majesty's representative at that port. In the case of a ship returning to a port in British India with pilgrims, the box, with its contents, shall, on the arrival of the ship at such port, be made over by the master to the Chairman of the Port Haj Committee of the port."

(b) If so, is it a fact that it has not been complied with during the current Haj season, and, if so, why?

Mr. G. S. Bajpai: (a) The rule quoted by the Honourable Member is rule 162 and not 172.

(b) It is regretted that through oversight this new rule was not complied with. Steps have now been taken to ensure compliance with it.

DRINKING WATER FOR PILGRIMS AT THE DISINFECTION STATION.

123. **Khan Bahadur Haji Wajihuddin:** (a) Are Government aware that pilgrims at Bombay are put to great hardship on account of the Port Health Officer refusing to turn on water taps for drinking purposes for pilgrims at the disinfection station while they are waiting in the sun, on the excuse of economy?

(b) Will Government be pleased to state whether such orders have been issued, and, if so, will they state what amount they expect to economise?

(c) If the reply to part (b) be in the negative, will Government be pleased to state what action they propose to take against the party concerned for putting the pilgrims to unnecessary hardship?

Mr. G. S. Bajpai: Enquiries have been made and a reply will be furnished as soon as possible.

DUTY ON ROSARIES FOR PRAYER PURPOSES.

124. **Khan Bahadur Haji Wajihuddin:** (a) Are Government aware that pilgrims from the Hedjaz and Iraq bring rosaries (tusbees) with them for prayer purposes, and that the Customs authorities charge 50 per cent duty which is the percentage charged on luxuries?

(b) Are Government aware that the religious feelings of pilgrims and the Muslim public are hurt by such imposition of luxury duty on rosaries brought by them for prayer purposes? If so, what action do they propose taking to remove the complaint?

The Honourable Sir George Schuster: (a) Duty is not charged on rosaries imported by pilgrims for the purpose of prayer, but there is a substantial import of these rosaries by pilgrims for the purpose of sale and on these duty is charged.

(b) Does not arise.

QUALIFYING TEST OF THE COPYHOLDERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

125. **Mr. S. G. Jog:** (a) Are Government aware that there has been a qualifying test of the copyholders in the Government of India Press, New Delhi? If so, what was the length of service of each copyholder?

(b) Will Government be pleased to state who were the examiners of the papers?

(c) Is it a fact that the Head Reader of the Reading Branch, in the examination held in 1929, set the papers for the copyholders' examination in consultation with the Manager, that the contents of the papers had leaked through him, and that in consequence of this, the result had to be declared as null and void?

(d) Is it a fact that the same Head Reader was selected again as one of the examiners by the Manager for the examination held in December, 1933?

(e) Are Government aware that there is a great sensation prevailing among the copyholders who failed on account of the appointment of the Head Reader as examiner?

(f) Will Government be pleased to state whether any standard of percentage of passing marks for the candidates qualifying themselves in each subject was declared by the Manager before the date of examination? If not, why not?

(g) Will Government be pleased to state why the Manager kept the copyholders in the dark by not declaring the standard pass marks beforehand?

(h) Will Government be pleased to state the intention and underlying motive of the Manager in declaring the standard pass marks after the papers were handed over by the candidates to him?

(i) Are Government aware that at such examinations the candidates are specially instructed to give only their roll numbers on their answer books and not their names thereon? If so, will Government please state whether the same procedure was adopted by the Manager of the Government of India Press, New Delhi, in holding this test, and, if not, why not?

The Honourable Sir Frank Noyce: (a) Yes. The length of service varies from 3 years 9 months to 17 years 3 months: a list showing the details can be inspected at the Controller's office.

(b) The Manager and the Head Reader.

(c) and (e). No.

(d) The Head Reader was selected by the Manager.

(f), (g) and (h). Pass-marks were not declared before the examination because the Manager considered this unnecessary.

(i) I am not clear what is meant by "such examinations", but no purpose would have been served by allotting roll numbers to persons whose hand-writing was familiar to the examiners.

PRINCIPAL WORK OF THE READING BRANCH OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

126. **Mr. S. G. Jog:** (a) Will Government be pleased to state the principal work of the Reading Branch of the Government of India Press, New Delhi? Why was dictation considered a compulsory subject? Has it any concern with the branch?

(b) Will Government be pleased to state the number of candidates who failed in dictation and passed in the principal work, the proof reading, separately?

(c) Do Government propose to declare the candidates as having passed even if they have failed in dictation only?

The Honourable Sir Frank Noyce: (a) Proof-correcting. A dictation paper was prescribed, because it is essential for an efficient Reader to possess a good knowledge of spelling.

(b) Ten: of these four passed in proof-correcting.

(c) No.

NON-MATRICULATE COPYHOLDERS PROMOTED AS READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

127. **Mr. S. G. Jog:** (a) Will Government be pleased to state the number of non-matriculate copyholders who were promoted as readers in the Government of India Press, New Delhi, without any test whatsoever since 1920?

(b) What were the reasons for promoting the non-matriculate copyholders without examination in supersession of those who were equally qualified, and, at the same time, senior in length of service since 1920?

(c) Will Government be pleased to state who is responsible, on account of a change of this policy, for the loss of future prospects of those copyholders who were not promoted according to seniority, compared with those non-matriculate copyholders who were promoted as readers with less service and without any examination?

The Honourable Sir Frank Noyce: (a) and (b). One copy-holder was promoted as a reader in 1921, with due regard to seniority and efficiency. The decision to hold a qualifying examination was not then arrived at and no efficient senior man was superseded.

(c) Copy-holders lacking in essential qualifications of a reader, however senior they may be, cannot be promoted as readers. The question does not, therefore, arise.

QUALIFYING TEST OF THE COPYHOLDERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

128. **Mr. S. G. Jog:** (a) Have Government taken any action to examine the whole affair of the qualifying test of the copyholders in the Government of India Press, New Delhi, held on the 6th December 1933? If not, do they propose to do so?

(b) If Government have found any defect in the operation of the examination by the Manager, are they prepared to declare the examination as null and void?

(c) Will Government be pleased to state whether any such test of the readers was also held when promoting them from the lower to the upper grade in December, 1933, and, if not, why not?

The Honourable Sir Frank Noyce: (a) The answer to both parts is in the negative.

(b) The question has not arisen.

(c) No. Readers as a class perform similar duties and their capacity to do reader's work can be tested without an examination.

SAVINGS BANKS WORK IN CERTAIN POST OFFICES.

129. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish a statement showing:

(i) the number of active savings bank accounts in (1) the Calcutta General Post Office; (2) the Bengal and Assam, and Bihar and Orissa Circles, excluding Calcutta, and (3) Madras and Burma Circles;

(ii) the number of clerks employed in sub-parts (1), (2) and (3) of part (i) for the performance of savings bank duties; and

(iii) the number of officials employed in the Calcutta and Madras Audit Offices (Savings Bank Audit Section) to check the work of Post Offices mentioned in part (i)?

(b) How many savings bank fraud cases have been detected by these two Audit Offices in the year 1932-33?

The Honourable Sir Frank Noyce: Information is being obtained, and a reply will be placed on the table of the House in due course.

OFFICIALS EMPLOYED IN THE POSTAL AUDIT OFFICES IN INDIA.

130. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state the number of officials employed in the four Postal Audit Offices in India, in the money order section, to check money orders, etc.?

(b) What are the duties of these officials?

(c) How many money order fraud cases have been detected by these Audit Offices in the year 1932-33?

(d) Is it a fact that in every Head Office there is a Money Order Audit Section?

(e) If so, what are their duties?

The Honourable Sir George Schuster: (a) 610.

(b) Their duties are prescribed in Chapter 6 of the Posts and Telegraphs Technical Audit Code, Vol. II.

(c) Two.

(d) No, but every Head Office exercises certain departmental checks.

(e) Does not arise.

STAFF EMPLOYED IN CERTAIN DEPARTMENTS OF THE BOMBAY, MADRAS AND CALCUTTA GENERAL POST OFFICES.

131. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish a statement showing the number of (i) clerks, (ii) selection grade supervisors, and (iii) time scale supervisors, employed in the Inland Registration (including Sorting) and Inland Parcel (including Sorting) Departments of the Bombay, Madras and Calcutta General Post Offices, separately?

(b) Will Government please furnish a statement showing the number of (i) selection grade supervisors, (ii) time scale supervisors and (iii) clerks employed in the Staff Section of the Bombay, Madras and Calcutta General Post Offices, respectively?

The Honourable Sir Frank Noyce: (a) and (b). A statement furnishing the information required by the Honourable Member is attached. In the Madras General Post Office, there is no separate Staff Section.

Statement.

Names of General Post Offices with departments or sections.		Number of clerks.	Number of selection grade supervisors.	Number of time-scale supervisors.
Bombay	Inland Registration (including sorting)	91	5	6
	Inland Parcel (including sorting)	67	5	4
	Staff	5	1	Nil
Madras	Inland Registration (including sorting)	62	5	Nil
	Inland Parcel (including sorting)	30	2	Nil
	Staff	Nil	Nil	Nil
Calcutta	Inland Registration (including sorting)	128	7	Nil
	Inland Parcel (including sorting)	103	8	1
	Staff	7	Nil	1

STAFF EMPLOYED IN THE POSTAL CIRCLE OFFICES OF BENGAL AND ASSAM, BOMBAY, MADRAS AND LAHORE.

132. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish a statement showing the number of (i) clerks, and (ii) selection grade supervisors employed in the Circle Offices of Bengal and Assam, Bombay, Madras and Lahore, respectively?

(b) What is the percentage of selection grade posts in these offices?

(c) Is it a fact that the number of selection grade posts is very low in these offices?

The Honourable Sir Frank Noyce: (a) The statement required by the Honourable Member is given in the subjoined table:

	Bengal and Assam Circle office.	Bombay Circle office.	Madras Circle office.	Punjab and N.-W. F. Circle office.
Clerks	138	131	129	121
Selection grade supervisors.	29	28	26	24

(b) The percentages work out roughly to 21 per cent. for the Bengal and Assam and Bombay circle offices, and 20 per cent. for the Madras and Punjab and North-West Frontier circle offices.

(c) Government attach no importance to the figures since the number of selection grade posts is not fixed on a percentage basis but is determined solely with reference to the number of charges which are such as reasonably should carry a pay above ordinary clerical time-scales.

PAY OF POSTMASTERS AND STAFF EMPLOYED IN CERTAIN POST OFFICES.

133. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to furnish a statement showing (i) pay of postmasters, (ii) number of (1) selection grade supervisors, (2) time scale supervisors, (3) clerks, and (4) overseer and sorting postmen, employed in the following post offices:

Shillong, Darjeeling, Barisal, Burdwan, Dehra Dun, Naini Tal, Ranchi, Cuttack, Trichinopoly, Ootacamund, Mysore, Srinagar, Baroda, Agra and Muttra?

(b) Will Government be pleased to state the reason for granting first class powers to the Postmasters of Darjeeling and Shillong, although they get pay of second class Postmasters?

The Honourable Sir Frank Noyce: (a) A statement furnishing the information required by the Honourable Member is attached.

(b) Darjeeling and Shillong are places of special importance and it has been considered desirable to authorise the Postmasters of the two offices to exercise the powers of first class head postmasters with a view to the more expeditious transaction of business. The exercise of these

powers has no direct bearing on the rate of pay drawn by the officials concerned.

Statement.

	Pay of Postmaster.	No. of supervisory staff.		No. of clerks.	No. of overseer and sorting postmen.
		Selection grade.	Time-scale.		
Shillong . . .	250—350	1	<i>Nil</i>	15	1
Darjeeling . . .	250—350	1	<i>Nil</i>	16 3 (season).	4
Barisal . . .	250—350	1	1	36	<i>Nil</i>
Burdwan . . .	250—350	1	<i>Nil</i>	28	1
Agra . . .	350—650	3	<i>Nil</i>	35	6
Dehra Dun . . .	250—350	1	<i>Nil</i>	23	1
Muttra . . .	250—350	1	<i>Nil</i>	21	3
Naini Tal . . .	250—350	1	<i>Nil</i>	12	1 1 (season).
Cuttack . . .	250—350	1	<i>Nil</i>	16	<i>Nil</i>
Ranchi . . .	250—350	1	<i>Nil</i>	18	1
Baroda . . .	250—350	2	<i>Nil</i>	37	1
Srinagar . . .	250—350	2 1 (season).	<i>Nil</i>	33 4 (season).	<i>Nil</i>
Mysore . . .	250—350	1	<i>Nil</i>	28	1
Ootacamund . . .	250—350	1	<i>Nil</i>	17 2 (season).	1 (season).
Trichinopoly . . .	250—350	1	<i>Nil</i>	26	1

PUBLICATIONS DISPOSED OF AS WASTE-PAPER IN THE CENTRAL PUBLICATION BRANCH.

134. **Mr. Muhammad Anwar-ul-Azim:** Will Government please state the respective values of publications disposed of as wastepaper up till now in the Central Publication Branch since the Controller of Printing and Stationery submitted the proposal to Government for the move of the office from Calcutta to Delhi?

The Honourable Sir Frank Noyce: For reasons given in my reply of the 26th February, 1934, to your starred question No. 298, it is not possible to give the values. Particulars of the aggregate price can be collected if desired.

COUNTRIES HAVING TRADE AGREEMENT WITH INDIA.

135. **Mr. F. E. James:** (a) Will Government kindly place on the table of the House a list showing the names of the countries with which India is in (i) direct, (ii) indirect trade agreement, together with dates on which the agreements or conventions were concluded?

(b) Do Government propose to place copies of these agreements in the Library of the House?

The Honourable Sir Joseph Bhore: (a) The required information, up to the year 1931, is available in the Handbook of Commercial Treaties, 1931, published by His Majesty's Government in the United Kingdom, which contains all British Commercial Treaties, and generally indicates in a note appended to each treaty the position in regard to its applicability to India. For subsequent information I would refer the Honourable Member to the statements of Commercial Treaties affecting India which were laid on the table of the Council of State on the 24th March, 1932, and the 27th March, 1933.

(b) A copy of the Handbook referred to has been placed in the Library of the House.

THE GENERAL BUDGET—GENERAL DISCUSSION.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume the General Discussion of the General Budget.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, it is usual to congratulate the Honourable the Finance Member on his Budget, and although I am not given to congratulating very easily, I see no reason to withhold those congratulations on this occasion, specially as it is his last Budget. Sir, it is certainly an original Budget, it is certainly a Budget that gives food for thought. . . .

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): And surprises too.

Sir Cowasji Jehangir: And surprises, as my friend, the Diwan Bahadur, says, but, in the space of twenty minutes, it is not possible to touch upon the many characteristics of this Budget, and I do not propose to do so.

Sir, if I ventured to give a name to this Budget, I would call it the Bengal Budget, and, in doing so, I would like to congratulate my friends from Bengal in having caught, after all these many years, the ear of the Government of India. Sir, we in Bombay are very much in the same position as Bengal, and I can remember a time when I had the honour of being a Member of the Government of Bombay, and that was many years ago, and when we agitated on the same lines as Bengal, going hand in hand with Bengal in our agitation for justice. But, alas! Mr. President, Bengal has got a windfall, and we have been left in the lurch. Now, Sir, our citizens, let me tell you with pride, do not allow the grass to grow under their feet, and I have received a telegram this morning

[Sir Cowasji Jehangir.]

from the Sheriff of Bombay regarding a public meeting convened in that City. I propose to read out that telegram to the House. It reads thus:

"Resolved at public meeting convened by Sheriff of Bombay to forward His Excellency following Resolution passed unanimously *stop*. *Begins* the citizens of Bombay in public meeting assembled desire to urge upon the Government of India and upon the Central Legislature the claim of the Bombay Presidency to a share in the proceeds of the All-India taxation which is proposed in the Finance Member's Budget speech before the Legislative Assembly on the 27th of February to levy in order to meet the immediate financial need of certain Provinces Bombay's claim to a more generous recognition of her financial needs has been repeatedly pressed in recent years equilibrium is now further threatened by recent and rapidly growing developments in the diversion of trade from the port of Bombay this can only be met by measures which will involve a serious deficit in the Provincial Budget and this meeting submits that Bombay has no less strong a claim than the other Provinces selected for relief to assistance in meeting what threatens to become a menace to her economic existence.—Sheriff of Bombay."

Now, Sir, since Bengal has been the favoured Province, I would like to compare our claims with those of Bengal and show you that we based our demands from the Government of India on the same lines as Bengal has done for a number of years. The Meston Settlement has been proved to have been the deathknell of both Bombay and Bengal. It was unjust and inequitable, and I have no doubt that the Finance Member and perhaps most Members of Government have heard quite enough of the Meston Settlement. Personally, so far back as 1922, I had to deal with that settlement, and to study the figures, and, Mr. President, it seems extraordinary how a body of men calling themselves financiers could have made a settlement for all India which was supposed to be the foundation for the new reforms—how they could have made so serious a blunder, and how experience has proved that every one of their hypothesis has turned out to be wrong. They gave us and Bengal land revenue, excise, stamps, and court-fees, and they gave us to believe that those sources of revenue were elastic. They took away from us, as you very well know, part of our income-tax. Well, I am not going to trouble this House with details, but every one of those sources of revenue, which were supposed to be elastic, were very soon found to be going down rapidly, and income-tax went up comparatively as rapidly. The result to Bombay was, that we had to tax and tax ourselves, and today the incidence of taxation in Bombay is the highest in the whole of the country. Sir, I do not think that anybody can say that the Government of Bombay and its Legislative Council have not been prepared to make every effort to balance their Budgets, or that they have not been prepared to shoulder their responsibilities. My Honourable friend, Mr. Mitra, whom I do not see here just now, inadvertently stated that Bombay had been assisted with regard to her development schemes. Nothing of the sort. We have borne the responsibility and the burden of whatever schemes we may have launched. Mr. President, the last reforms came in January, 1921. In September of that very year, Bengal was given a remission of her contribution of Rs. 63 lakhs. It was years and years before Bombay was let off her contribution of, I believe, Rs. 56 lakhs. We have been knocking at the door of the Government of India since 1922, and up till now, besides that remission, we have received nothing for the very handsome contribution that we along with Bengal have made to the Central Government through our income-tax. But, Sir, there is a constitutional issue involved to which I would like to draw the attention of this Honourable House. A federal scheme of finance has been sketched out at the

Round Table Conferences and it is not my purpose to give you that sketch here. But the foundation of it is that in time the Provinces shall get back the personal income-tax derived from those Provinces and that the Central Government shall be compensated for the loss of that revenue by other sources of revenue, and the one most prominently mentioned was the excise duty on matches. But, Sir, we are yet at a distance from Federal Government; we are at a greater distance from Bombay being given any relief with regard to her income-tax; and we find that, that source of revenue for the Central Government which was kept aside for the assistance of the Federal Government of the future is being immediately tapped, and unfortunately, of the two Provinces which really deserve to get a part of that taxation, only one has received relief. Sir, it may be said that Bengal has peculiar circumstances of her own and that she has a different case. It may be said that she has been through very trying times and that a certain amount of expenditure was necessary in Bengal which was not necessary in other Provinces. But may I point out to this Honourable House, and especially to the Government Benches, that we also have had our troubles; we have also had the Civil Disobedience Movement in Bombay for which we had also to spend some money. And, Mr. President, if it cost Bengal some money to deal with the terrorist movement, is it a crime for other Provinces not to have the terrorist movement. What is the answer to that question?

The Honourable Sir George Schuster (Finance Member): No.

Sir Cowasji Jehangir: If it is not a crime, then, will you give us some part of that match excise duty? If it is not a crime, we deserve that assistance, and will the Honourable the Finance Member give us then a part of that excise duty that he is going to raise? He is putting his hand into the pockets of people who come from all parts of India. We never intended that he should not, but it was reserved for the future, and if it was necessary in the present, by all means, let it be done, but apply the revenue so derived for the benefit of the peoples for whom it was intended. I do desire on behalf of my Province to lodge a most emphatic protest against the way in which we have been treated. . . .

Mr. A. H. Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): You have not lodged that protest at the Round Table Conference.

Sir Cowasji Jehangir: We did.

Mr. A. H. Ghuznavi: Where?

Sir Cowasji Jehangir: We did it over and over again. The Meston Settlement was fought over and over again.

Mr. A. H. Ghuznavi: I do not see anything in the report.

Sir Cowasji Jehangir: It was an old question. Does my Honourable friend mean to say that, because he and his friends yelled the loudest, he deserved assistance any the more? We are accustomed to hear my friend yell here on more than one occasion, but we know our friend in this House at any rate. I am not envious of Bengal. Let Bengal have her dues by all means. Bengal has been hard hit by the Meston Settlement, just as hard hit perhaps as we have been, but if relief is to be

[Sir Cowasji Jhangir.]

given and specially from an excise duty on matches which was set aside for purposes of giving relief to Provinces who contributed to the Centre through their income-tax, then I assert that Bombay has just as good a claim as Bengal. Let Bengal have it, but let us have it too. Sir, we have our troubles, and some of them are of a very serious nature. I have no doubt that the Government Benches are fully aware of the loss of our trade from the port of Bombay. They are fully aware that to meet that menace we shall have to give up a source of revenue, which we have enjoyed for the last number of years. If we took prompt action, notwithstanding every effort made by Government and the people of Bombay, we would have a deficit Budget. It is very necessary to examine a Budget very closely to decide whether it is a deficit Budget or whether it is on the margin line. The Bombay Budget is a deficit Budget. Every effort has been made to try and balance it, but notwithstanding that, I venture to suggest that, if properly examined, it is a deficit Budget. It is a deficit Budget just as much as the Budget presented by the Finance Member. I am not going into the question, how he has managed to make both ends meet. My friends will have an opportunity of explaining that and perhaps I shall have more opportunities in the Finance Bill and the other taxation Bills that the Finance Member will bring forward before us to criticize this Budget, but my Honourable friend, the Finance Member, and let me congratulate him on it, has got an inspiration this year, a divine inspiration, which has made him balance this Budget. We will go into that divine inspiration a little later. I have no complaints to make about that divine inspiration. I do trust and hope that that inspiration is based on solid foundations and that, when he cuts down the debt redemption fund from six crores odd lakhs to three crores for the current year and the next year, he is really on sound foundations, and if his inspiration turns to be on solid rock, nobody will be more grateful to him than this Honourable House for having got that inspiration, late as it may be, even in his last year and in the last Budget, that he will present to this House. I only have one regret that he did not get that inspiration when he put up the income-tax, but better late than never, if it is founded on rock.

Mr. President, I do not desire to go into further details. There are many points on which we should like further explanations. There is the duty on tobacco, there is silver, and many of my friends here want further knowledge about sugar. There is plenty of time before us and the Finance Member is giving us plenty of opportunities, but, before I sit down, I will appeal to my Honourable friends on the Front Bench, who have agreed to make this Budget what I have called a Bengal Budget, if not now, next year, let their Budget be a Bombay Budget, and if any Province is afflicted by Providence as Bihar, we shall be ready along with other parts of India to come to the rescue of that Province, and I would ask my Honourable friends here, some of whom appear to have a prejudice against the poor Province of Bombay, to really go into other facts and to go into our position and realise the amount of taxation that we have placed upon ourselves, to read and study the figures of incidence of taxation, and then, I am sure, they will come to the conclusion that the Government of Bombay and its people have done their duty with regard to their finances, that they have never hesitated to tax themselves before coming to the Central Government for assistance, and I would only conclude by asking all Provinces, egotistical as it may appear, to follow the

example of Bombay, and if every Province would tax itself as we have done, there would be little demand on the Government at the Centre. This is not egotistical, though it may appear to be so. These are facts, and if you wish to realise how true they are, I would appeal to you to study them, and a few figures only, and I feel sure that every one of my Honourable friends behind me will be as convinced, as I am sure Government are, that Bombay's position is by no means enviable and that she requires your sympathy and your assistance as much as any Province in India.

Sir Leslie Hudson (Bombay: European): Sir, may I first congratulate the Honourable the Finance Member as so many other Members have done, and I am quite sure many more will do, on the able manner in which he has presented to us what he has informed us will be his last Budget in India. The picture which he has presented to us is, I think, on the whole not unsatisfactory.

In my remarks on the general discussion of last year's Budget, I voiced the strong feeling of European commercial opinion that the balance of the emergency cut should not be restored unless there was simultaneous relief to the tax-payers in the matter of the surcharge. Circumstances have not enabled the Finance Member to help either the services or the tax-payer, and I merely make mention of this at the present time in order to remind him of our claim that if and when the finances of the Government of India permit, relief should be meted out to the tax-payer equally with the Government servant.

Last year, the Finance Member was pressed to take advantage of the present position of the money market and to spend money on productive schemes of public utility, and it is gratifying to note that this course has been followed to a certain extent. I realise that Provincial Governments, whose Budgets barely balance if they balance at all, hesitate to increase their liabilities for the service of the Public Debt, but I still feel that the present opportunity of cheap money and the low price of materials should be taken advantage of. We are glad to see that the Government of India itself has increased its expenditure on capital works, and we can but hope that Provincial Governments will, with caution and care, institute public works on which a reasonable return can be anticipated. We are glad to see the improvement in the balance of trade, apart from the gold export. The figures are better than last year and encourage us to hope that the corner has been turned and that a gradual return to prosperity has set in.

In last year's discussion on the Budget, one of the principal points made on the cut motions on the Demands for Grants was the need for anti-dumping legislation. We have seen during the past year that the Government have taken decisive steps in this direction in the Safeguarding of Industries Act and in the Indo-Japanese Agreement which we understand is nearing completion. Generally speaking, these have given satisfaction to those industries which were intended to be given shelter, though there are complaints in certain quarters that the protection is not sufficient. It is, however, only human nature, especially in this country, like *Oliver Twist* to ask for more.

Another point pressed last year was the time-worn one, of the export duty on hides. As I said then, opinion throughout the country has always varied on this subject and what has been, and in this case is, distasteful to Madras and Cawnpore will be welcomed by Karachi and

[Sir Leslie Hudson.]

Calcutta and Rangoon. Speaking generally, I think that it will be agreed that taxes on exports, except perhaps on monopolies, are not for the ultimate benefit of a country. They find no support in modern economic thought and I personally should be glad to see them done away with altogether.

Passing to a review of the present Budget, I desire to make a few general remarks. More precise comments on particular items will, so far as the details of the proposed taxation are concerned, be forthcoming later on when we deal with the Finance and other Bills. I would first refer to what my Honourable friend, Sir Cowasji Jehangir, has also referred—the matter of the Reduction or Avoidance of Debt. The Honourable the Finance Member has informed us that it is proposed to make a provision of Rs. three crores for the current and next year as against the figure of nearly Rs. seven crores which the convention reached in 1924 would call for. Like Sir Cowasji Jehangir I would remind the House that the Honourable Member has on many occasions stressed the value to the nation of sound finance and I too would like to be assured that the credit of India in the world's markets will not be in any way lessened by this decrease in the amortization contribution. I have little doubt that the convention reached in 1924 was reached largely by, shall we say, an intelligent anticipation, for no stable criterion can very well be laid down for such reservation more than a year or two in advance, but the fixed sum of Rs. four crores was arrived at in respect of all debt incurred up to March 31st, 1923, and that must have been arrived at from actual figures available. I should, therefore, like further explanation as to why it is now considered a safe and prudent step to take to reduce this basic figure to Rs. three crores. Admittedly it enables Government to balance their Budget, which would otherwise be in deficit, and to provide a special fund with which to finance assistance to earthquake-stricken districts. We all remember the outcry that was raised in England, not so very long ago, at the raiding of the sinking fund, and I do not forget that the British Chancellor of the Exchequer has himself had recently to forgo all such appropriation. But India is not in quite the same position as Great Britain and it behoves this House to be as jealous of the credit of India as the Finance Member himself has been for the last five years.

We have, I think, recognised that the intentions of the Government in the matter of assisting the stricken province of Bihar are generous. I am aware that this is disputed in certain quarters. There are certain Oliver Twists who, again, are asking for more, but we have the clear assurance by the Finance Member that if more than the sum provisionally estimated as required by Local Authorities can be advantageously spent, the additional sum will be supplied. Similarly, we have his promise that whatever sum may be found ultimately to be necessary for the purpose of assisting private individuals, this will be made available to the Provincial Government.

There is a further act of generosity to another Province which will be very welcome to that Province and the rest of India will have the somewhat grim satisfaction of remembering every time they strike a match that they have done something to aid Bengal and Bihar and Assam. There is a matter in regard to this excise on matches about which I should like the Honourable the Finance Member to inform the House.

The Government have rightly, as I think, recognised the justice of an extension of the principle of indirect taxation, but I should like to know whether he can assure the House that the arrangement with the Indian States for the collection of that excise from any factory started in their territories will be guaranteed an efficiency equal to that existing in India.

Mr. B. Das (Orissa Division: Non-Muhammadan): Like the customs!

Sir Leslie Hudson: I must, however, remind the House that in their report the Federal Finance Committee two years ago, when reporting on possible new sources of revenue, expressly mentioned an excise on matches as being an important adjunct to Federal Finance. Here we have the proposal to institute this form of indirect taxation and immediately to apply it, not to Federal purposes, but to the relief of certain deficit Provinces. I am not sure that this is going to be a convenient precedent. (Hear, hear.) Already other Provinces are asking for similar allocations, and, on this basis, it is difficult to see why, for instance, Burma should not get half the rice export duty and why Assam should not get a share of the oil excise. Sir, my Honourable friend, Sir Cowasji Jehangir, in his very eloquent speech which we have just listened to has placed before the House strongly the position of Bombay, and I do not wish to weary the House by repeating the arguments that he has used. It will, I think, be agreed that they are forcible and that they are just. The Bombay Presidency has a Budget which is barely balanced, and then only by the most stringent retrenchment, more stringent, I think, than anywhere else in India. Its financial position is now threatened by competition to its trade from Kathiawar ports under circumstances which are not in its control, but in that of the Government of India. And it does not seem fair or just to us in Bombay that the whole of this Central taxation should be presented to the jute-growing Provinces. Like Sir Cowasji Jehangir, I am not envious or jealous of what Bengal has got. Admittedly they do require assistance. But I do claim that we in Bombay also require assistance. With regard to the increasing diversion of trade from British Indian ports to the Kathiawar ports, I have neither the time nor the desire to place an array of figures before the House, but it will perhaps interest the House to know that in 1931-32, the imports into Kathiawar States were valued at 2½ crores, and in 1932-33, they amounted to four crores. Of these large amounts, the share of the Bhavnagar State was, respectively, 75 lakhs and 2,33 lakhs, whilst the imports for the official Bhavnagar year which runs to the 30th November, 1933, were no less than 4,15 lakhs into Bhavnagar alone. When this particular Treaty was originally negotiated, I believe it was estimated that the customs duties which would accrue to the State of Bhavnagar would amount to about 10 or 12 thousand rupees a year, and so small a matter as that would be of no account to the revenues of the Government of India, but a crore of rupees is a different matter. While a treaty is a treaty and is not to be deemed as a scrap of paper to be torn up, some solution of the problem must be arrived at. Not only is it the increasing loss to British Indian revenues, but the result of this attraction of trade to Bhavnagar and the other Kathiawar ports is drawing away trade which should legitimately be catered for by the British Indian ports of Bombay and Karachi. The problem is difficult, I admit, but it is not insoluble and it must be tackled. The longer it is deferred, the worse it may be for the eventual settlement for British India. Looking ahead to the

[Sir Muhammad Yakub.]

in the speech of the Honourable the Finance Member and that is the word "education". It might be said that education is a transferred subject, and, therefore, the Government of India have nothing to do with it.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): So is health.

Sir Muhammad Yakub: So is health, as my Honourable friend says, for internal administration of educational institutions, education may be called a transferred subject, but, so far as the real educational policy in India is concerned, it is, I think, a subject which belongs to the Government of India. There is the Department to which my Honourable and capable friend, Mr. Bajpai, belongs, with all the paraphernalia of an Education Department in the Government of India, and an Educational Commissioner and if the burden of this Department is to be borne by the Indian taxpayer, then I think the Government of India can be easily brought to book about the educational policy which is prevailing in this country. It is really surprising that all our efforts these days are concentrated towards the political progress of a country about 70 million population of which is practically illiterate and we are exhausting all our energy and all our efforts towards securing democratic institutions without realising how very dangerous these institutions may prove in a country like India unless the people are prepared to handle the institutions and get the proper sort of education to run the democracy. It is fortunate that recently the attention of nearly all the leaders of the country has been drawn to this aspect of the question, and going through the speeches of men like the Right Honourable Sir Tej Bahadur Sapru, Sir Prafulla Chandra Roy, Dr. Sir Ross Masud, and, lastly, Sir Shah Suleman, I find that all of them are unanimous in criticising the present educational policy of India, and all of them have laid stress upon this being overhauled. I myself, addressing a conference of the University students in U. P., made the following remarks about the policy of education prevailing in India. I said:

"From all the recent convocation addresses, daily papers, official statistics and conferences, Government must have learnt that the country stands badly in need of changing the whole educational system, in order to suit the national aspirations of the country and to solve the problem of unemployment among the educated classes. There is every truth in the finding of the Hartog Commission that 'The universities are overcrowded with men who are not profiting either intellectually or materially by their University training'. Sir P. C. Roy, by emphasising upon it and by pointing out some of the major defects in the present system of education; did his duty as the intellectual leader of the country. The Government should see how Germany has recently tried to regulate the University education by making it open to those only who are physically, intellectually and morally fit, to receive higher education and to benefit by it, while in India no attempt is being made to check and co-ordinate the University education to suit the needs of the country. On the contrary there is a sort of craze of founding universities and making it a mint of graduates who find no valuation for their hard labour and acquired intellect, in the market. This sterile 'graduate' policy of our universities is highly telling upon the physique and morale of our young men 'who' according to the version of the Right Honourable Sir Tej Bahadur Sapru, 'after leaving the portals of the university, find that the call of hunger is more insistent than the call of culture and that the fine maxims of morality which they imbibed in their class rooms are more in the nature of impediments than a help in the struggle for existence'. I hope that all these protests, recently made by all the Educationists of the country, will move the Government to appoint a Committee to overhaul the whole educational structure, as was recently proposed by Doctor Sir Ross Masud."

Therefore, Sir, I would again lay great stress upon this question and request the Government of India to take immediate steps in order to overhaul the educational system prevailing in this country. Fortunately, only in two or three days, the Inter-Universities Conference is going to be held in Delhi, and I hope the Government of India will utilise this opportunity for consulting the educational experts and take immediate steps in this matter. While on this question, Sir, I wish to offer my

gratitude to the Finance Member for making a non-recurring grant of Rs. 15,000 to the Aligarh Muslim University for meeting the deficit in its budget. But I should like to point out that only the other day it was with the utmost care and the utmost retrenchment that we have again passed a deficit budget to the extent of about 50 or 60 thousand rupees. The expenditure budget of the Muslim University of Aligarh was prepared taking into consideration the grant from the Government of India, before it was cut down by 10 per cent; and I would again impress upon Government the fact that, unless that cut in the educational grant is restored, the Aligarh Muslim University will find it very difficult to balance its budget.

Sir, passing from the question of education, I would like to say a few words about the needs of my own Province, the United Provinces. My friend, Mr. Ranga Iyer, spoke yesterday a good deal, I understand, about the agricultural distress which is prevailing in the United Provinces and pointed out that this small duty on Indian sugar might adversely affect the interests of the agricultural classes in the United Provinces. I would only add that, like the Punjab, the United Provinces is really the largest agriculturist area in India, and during the last five or six years, owing to the fall in the prices of corn and specially wheat, and irregular rainy seasons, the land-holding class of the United Provinces has been reduced to its lowest ebb so far as financial conditions are concerned. Every Province has laid stress upon its claims; even a millionaires' Province like Bombay every year comes before the Assembly to make some demand for her distressed people. I am glad that Government, by retaining the import duty on wheat, have given some relief to the agriculturist in the United Provinces; but I think that is not sufficient, and I hope the Government of India will consider that the agriculturist in the United Provinces needs more help and assistance than has been offered to him. I wish also to congratulate the Government of India on the timely help which they have given to the Province of Bihar. We have all very great sympathy with the sufferers in that unfortunate Province, and it is the duty of every Indian and every Government to help Bihar as much as they can. But I really deprecate the ungrateful criticism which has been levelled by certain people against the grant which the Government of India have made to Bihar. They ought to realise that in the circumstances in which the Government of India are placed and in view of their financial difficulties, probably they have done their utmost to help the Province of Bihar; and, instead of being grateful to Government, it is unfortunate that ungrateful criticism is levelled against Government. I hope representatives of Bihar in this Assembly will clear the position on this point, though I am glad to say that some of them have already done it.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, a distinguished predecessor of my Honourable friend, the Finance Member, once quoted Burke to the effect that it is as difficult to tax and to please as to love and be wise. I am sure my Honourable friend's

[Mr. H. P. Mody.]

five years' experience of this House will have amply convinced him of the soundness of that dictum. But I will ask my Honourable friend not to be discouraged by anything that this side of the House might have to say from time to time.

The Honourable Sir George Schuster: I am not.

Mr. H. P. Mody: I am very glad that at the end of his career he has become stout-hearted and does not worry about what we say. What I was going to do was to ask my Honourable friend to derive some consolation from the thought that if and when the time comes when somebody from this side of the House walks over to the bench which he is now adorning, we shall be equally whole-hearted in our condemnation and our criticism. And, therefore, whenever my Honourable friend is inclined to ruminate upon the perversity of human nature as typified in this side of the House, he will do well to realise that, as it is his duty to tax, it is our duty to oppose taxation and to stand up for the interests which we represent.

Now, Sir, we have got so hopelessly lost in sugar and matches that I think it is time that somebody spoke on the Budget; and I am going to leave all specific items alone for the moment, even though my cigarettes have gone up in price and my sugar shares have gone down in value. At the proper time I shall give vent to the ebullition of my feelings. The only item which I would like to comment upon at this stage is one which has been copiously referred to in the discussion, and that is with regard to the good fortune which has attended Bengal. Sir, we whole-heartedly congratulate Bengal upon her good fortune, and I hope that this will induce her to think a little more kindly of poor down-trodden Bombay. (Laughter.) I hope Bengal will realise that most of the subvention which is now being given to her is at the expense of an industry which is very largely established in the Bombay Presidency; and so, every time that Bengal strikes a match, let her entertain a kindly thought for Bombay.

My Honourable friend, Sir Cowasji Jehangir, advised at the end of his speech all the other Provinces to follow the example of Bombay. I hope they will not do anything so stupid. (Laughter.) If they want to make the least impression upon the Government of India, let them do anything else but follow the example of Bombay. Let them go on producing deficit Budgets year in and year out, and howl as loudly as they can, and it is only then that some impression may be made upon the hard-hearted Treasury Benches.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): That has been our experience in Madras.

Mr. H. P. Mody: You will find that if you produce a surplus Budget, you will be asking for a piece of the moon if you ask for anything from the Benches opposite.

Sir, I promised to review briefly the financial and economic position of India rather than be tempted into these little excursions. Now, while I cannot say that the picture presented by my Honourable friend, the Finance Member, is not a fair one, I would just like to put it from my own point of view. I would first touch upon the darker side of the picture, and I find in the forefront the gaunt spectre of agricultural indebtedness. That indebtedness has been variously estimated, but I think it is safe to

say that it is nothing short of a thousand crores of rupees. It is all very well to say, as has been said on several occasions, that in these times of depression the agriculturist does not worry to pay the interest or any part of the debt. But the debt is there, and it has got to be paid some day, and I regard it as the most serious aspect of the whole financial and economic situation of the country today. I am very glad that my Honourable friend has promised consideration of it in the next two or three months.

Then, there is the question of high taxation, and here again I say that it is not much use any one getting up and saying "After all, what is the taxation per head of the population?" I can counter that by asking "What is the income per head of the population, and what are the resources of the country?" Looking at it from that point of view, I would say that the burden of taxation has reached its limits, and India cannot stand any more; and in view particularly of the fact that this taxation is largely derived from two sources, namely, customs and income-tax, it is apparent to every one that the position is serious.

Then, there is the question of the reduced purchasing power which has been reflected even in the year which we are reviewing; as much as 17 crores less was consumed in 1933 than in 1932, and that, I submit, is an index of the economic position.

Then, taking another index, namely, industrial production, I say, here again we must realise that India has a tremendous leeway to make up before we can say we can sustain the administration which modern Governments require. According to the industrial production statistics that were compiled by an economic organisation, we find that India's share of the world production in industries amounts just to 2.1 per cent. Germany is 6.9; Great Britain 11.2; France 7; even Italy is 3.4; and the United States 14.9. That will show my Honourable friends opposite and also on this side what a tremendous advance India has still to make before it can be said to be industrially developed.

That is the dark side of the picture, and I turn from that readily to the brighter features of our economic situation. In the forefront I put the fact that we have had during these last few years balanced Budgets. Surpluses and deficits are no index of either prosperity or adversity. They are the expression of a policy, whether you are going to tax yourselves, or are going to leave the next generation to bear the burden; but this much must be said that, while it is very disagreeable to be bled as we have been bled for the last five years, at any rate our credit stands very high, and for that achievement I would like to congratulate my Honourable friend, the Finance Member, as also for the fact that we have a very small unproductive debt in this country. Out of a total of something over Rs. 1,200 crores of rupees, the unproductive debt is a little over Rs. 200 crores. Similarly, a vast improvement has taken place in the reduction of the short term debt of this country; and, finally, as an index of the growing return to normality, I may say that there has been a substantial increase in post office cash certificates and savings bank deposits, which show an increase of Rs. 40 crores in three years.

These are substantial achievements, and while we have had considerable differences of opinion with our friend, Sir George Schuster, with regard to many of the measures which he has been obliged to bring forward in this House, I wholeheartedly join in the tribute which Sir Leslie Hudson more particularly amongst my friends has paid to the work of the Finance Member. He very appositely reproduced what my Honourable friend

[Mr. H. P. Mody.]

said when assuming office, and said that he had fulfilled in every particular the test which he himself had laid down for the judging of his work. I will only add this, and that from my point of view will express all that I feel about Sir George Schuster, that my Honourable friend has not only been a Finance Member of India, but he has also been a Finance Member for India. I hope that in other spheres to which he may be translated the interests of this country will receive from him that same keen interest which he has displayed, and that same devotion which he has given in these last five years.

I shall next deal with a very important consideration which has been urged by my Honourable friend, Sir Leslie Hudson, and it is that economic reconstruction is the need of the hour. In my speech on the ratio, I specifically asked the Finance Member to consider the necessity of putting up an Economic Advisory Council in this country, and I can do no better than reiterate that point of view, and indicate to my Honourable friend the sort of Economic Advisory Council which I have in view. In this connection, I would like to refer to the constitution and functions of the Economic Advisory Council which was set up in Great Britain in 1930:

"To advise the government in economic matters, and to make a continuous study of developments in trade and industry and in the use of national and imperial resources; of the effect of legislation and fiscal policy at home and abroad; and of all aspects of national, imperial and international economy with a bearing on the prosperity of the country."

I could say a very great deal about the subject, in which I am taking a special interest, but I understand the European Group are moving a token cut on this issue, and that will be the proper time for a detailed analysis of the position.

I come now to something which is a matter of vital importance to the Presidency and the City from which I come. That is the growing diversion of trade from Bombay. My Honourable friends, Sir Cowasji and Sir Leslie Hudson, have referred to it; but I want to go a great deal further than they have done. I would like first to explain the position, as briefly as I can, to my Honourable friends. As most of them are aware, disputes were going on between the Government of India and the Indian States, particularly the States in Kathiawar, for many years; they were settled for the time being by the Conference which was held at Mount Abu in 1927. The basis of the Settlement was that the Indian States were to charge the same customs duty as was charged in British India and they were allowed to keep their share of the import duty in respect of those commodities which were consumed in their own territories. The duties in respect of everything which crossed over into British India over the Viramgam customs line had to be paid to the Government of India. I want to say deliberately, and without the slightest attempt at concealing my thoughts or sugaring the pill, that a great many instances have come to light of wholesale and gross evasion of this obligation, and I join my Honourable friend, Sir Leslie Hudson, in asking why the Government of India should be so very complacent about it. If some unfortunate individual in British India attempted to dodge the customs Collector—and I think he would be morally thoroughly justified in doing so in view of the duties which have been imposed!—he would be straightaway hauled up. But here are whole States evading their obligation, and my Honourable friends in the Government of India are complacently looking on. Now,

Sir, I do not want to go into the constitutional issue at this stage. I do not want, as my Honourable friend, the Leader of the European Group, has done, to try and find out whether there is any justification for the continuance of the Bhavnagar Treaty. I raise the simple issue whether the Government of India are prepared to make the Viramgam customs line an effective customs line. I will give a few examples. As everybody knows, there is a duty of Rs. 18-2-0 on a bag of sugar—(a bag of sugar being two cwts). In some of the Kathiawar State,—and I challenge contradiction on that point,—sugar is selling at Rs. 18 to Rs. 19 per bag. How is that being done? An article which carries a duty of Rs. 18-2-0 is sold at Rs. 18 and Rs. 19 in the Indian States! I have got proofs of that; I have also got proofs to show how the art silk trade is being carried on in the territories of the Indian princes. The duty on certain types of art silk piece-goods is three annas per linear yard; these piecegoods are being sold in many of the Kathiawar States at three annas one pie per yard. How is that possible except by gross and fraudulent evasion of the customs duty? Sir, this is a matter which has become very vital to our Presidency, and if sufficient care is not taken in time, it is going to become very vital for the whole of India, and I would ask my friends on the Government Benches to take serious note of this situation and adopt effective measure to counter it. I recognise that if it were a question of any constitutional bargaining with the States, there might be difficulties, and the matter might take time; but what I am suggesting are measures which the Government of India can take today if they will only realise the seriousness of the situation. Remember that Bombay has been bearing a very heavy burden. Bombay, as my friend, Sir Cowasji Jehangir, has pointed out, has believed in balancing her Budgets, though as events have turned out, very foolishly. Bombay has imposed on her citizens a very high level of taxation, and her trade and industry have been crippled very badly by foreign competition. On the top of that comes this attack upon the port and the trade of Bombay, and I ask my friends whether they are prepared to complacently look on without taking any effective steps to help us. I hope, Sir, now that my friends, who hail from Bengal, have secured a windfall, they will fraternise with us, that we shall all be brothers,—the people from Bengal and the people from Bombay—and that when I speak for Bombay, the people who will strongly support me will be, not my friends, Sir Cowasji Jehangir or Sir Leslie Hudson, but my friends from Bengal, or even, though of course it is rather a forlorn hope, from Bihar! I am bound to say that by the action which the Finance Member has taken in respect of Bengal, he has let loose in a sense the dogs of inter-provincial war. I hope, however, that all Provinces will get proper justice, and not any one single Province; if my friend does not know how to do justice between the various Provinces, I will ask him to toss up and make amends to each Province in turn; I hope that it will be Bombay's turn on the next occasion.

Sir, I have nothing more to say. I congratulate the Honourable the Finance Member on leaving India's financial and economic position in that very sound condition in which he is leaving it to his successor, and I feel that our warmest appreciation is due to him for the way in which he has discharged his duties. I hope my Honourable friend realises that those who are loudest in their praises of him are not the people to whom he has given subventions or assistance, but those people to whom he has administered,—if not exactly a parting kick,—very cold comfort! I trust

[Mr. H. P. Mody.]

my Honourable friend appreciates that it is the people from Bombay who are most mindful of the amenities of public life, and who can even ignore a grievance on an occasion of this character.

Bhagat Chandi Mal Gola (Delhi: General): *I am thankful to you Mr. President, for giving me an opportunity to be able to express my views on Government's policy. The Honourable the Finance Member, while introducing the Budget, announced the reduced rates for letters and telegrams. But, I regret to have to say that Government have made a great mistake in not having come to the help of the poor. The poor people do not make much use of envelopes or telegrams, but they use the post card most. Government ought to have reduced the price of the post card from three pice to two pice. This would have given a great relief to the poor and would have brought more income to Government.

Government have made a great mistake in taxing the daily necessities of the poor. By levying duties on matches and tobacco, they have made the lot of the poor still more miserable. These are the most essential articles of use without which a man can't do. I hope Government will do something for the poor. What a pity only such taxes are being imposed which hit the poor; on the other hand, relief is being given in matters which benefit the rich only.

*"Karāne ko koi insāf is darbar main ae,
Sar-i-taslim kham hai jo mizaji-i-yar main ae."*

"I have come to you for justice. I am at your mercy, do what you like."

Raja Sir Vasudeva Rajah (Madras: Landholders): Mr. President, this is the last Budget of the present Finance Member, the Honourable Sir George Schuster, who is due to retire, much to our regret, in a few weeks' time. During the incumbency of his for five years, whatever differences we may have had with him on the broad questions of policy and finance, there can be no two opinions that his unfailing courtesy to the Non-Official Benches and his spirit of compromise and reasonable attitude towards the proposals that emanated from this side of the House have awakened in the minds of the Non-Official Members a genuine feeling of friendship and sincere regret at his impending departure.

Turning to the Budget itself, it is clear that, but for the transfer to the general revenue of over three crores from the amount set apart for the reduction and avoidance of debt, and over a crore and a half of rupees received on account of the capitation charges, there would have been a deficit of over four crores in the current Budget in spite of the 25 per cent. emergency surcharge imposed two years ago which have failed to bring the two sides of the account on a level as was expected when the emergency proposals were made. The Finance Member himself has admitted that there has been an enormous drop in the customs revenue and the income-tax has been heavily cut into. From this it is clear that the country has been passing through a period of abnormal depression and the extent of the trade and industries of the country can only be measured if we recall his own words, that the average profits of the Joint Stock Companies have come down from 53 crores to 29 crores. This is

*The above is a translation of the Honourable Member's speech delivered in the vernacular.

a very fair index of the deplorable depression that has overtaken this country and the Non-Official Members cannot be blamed if, therefore, they resisted the imposition of the heavy burden thrown upon the country since two years. Added to this we have to find another 1,53 lakhs for the next year resulting in heavy taxation of the primary commodities and articles of consumption such as tobacco, sugar and matches. We feel this is not an opportune moment for saddling the country with an additional burden when it is already groaning under the surcharges and other heavy taxation levied during the last few years.

Regarding the income-tax, I wish once more emphatically to protest against its rate which, as the Finance Member has already pointed out, has failed to respond to the additional income expected from this source. We do not know what has been done to the proposals so numerous supported by the Members of this House that the assessee should have at least a right of an appeal to an independent tribunal. The assessee in India feel that the considerations that prevail in assessing a person to income-tax in England are entirely overlooked in making the assessments here, no deduction being allowed on account of the wife, children and dependents whom they have to support or even for the conveyance maintained by the assessee for his personal or professional use.

Another point to which I wish to draw the attention of the Government is the remission of the export duty on raw hides. The tanning industry in India, and particularly in Madras, received some protection from this source. But I am afraid the Finance Member has not realised the effect of the abolition of this duty on the young but rising industry in the country. (Hear, hear.) He frankly admits that the duty has been removed in order to facilitate the export trade in such hides. But it is not known to what extent India is now in a position to consume her own output of such hides and how the removal of this duty will react upon her.

One point more I must bring to the notice of the Government of India for their serious and urgent consideration, and that is the present deplorable straits to which the agriculturists and landowners of the Madras Presidency have been driven owing to the dumping of foreign rice into the market. This has brought the price level to a figure at which the agriculturists can hardly make anything and we are finding it difficult to find tenants to cultivate our lands on the basis of profit now left to them at the present prices, because nothing is left to them. I have had numerous instances of voluntary relinquishment of lands this year for the first time and in most cases they remain uncultivated for want of tenants. Whether cultivated or not cultivated, we have to pay the revenue once assessed, and this year I have to pay assessment on about 800 acres of land that have been so given up. This state of things cannot go on very long and Government will find themselves confronted with an unprecedented situation in collecting the Government dues. Remissions have had to be given during the last two years, but it has not eased the situation in any appreciable degree. From the *Hindu* of the 27th February, I find that Liner S.S. "Akibasan Maru" arrived in Madras harbour on the 26th February morning with a consignment of rice and green peas from Bangkok. The paper says:

"This is the third shipment for the month and the largest single consignment so far received being 3,034 tons or 28,336 bags of raw broken rice. It is surmised that the recent increase of export is probably due to an apprehension that in the next official year a tariff will be imposed on foreign rice."

[Raja Sir Vasudeva Rajah.]

This will show that the complaints we have been making here have not only not produced any good so far, but we are threatened with a worse and graver situation. I would, therefore, press on the immediate attention of the Government to come to our rescue by completely stopping all import of foreign rice without further delay, or at least levy an adequate import duty which will save us from unreasonable and unhealthy competition. I hope that Government will tell us definitely what they propose to do in this matter, so that we may know where we stand. While on this question of rice, I should also suggest the abolition of export duty on rice for which, I think, there is no justification whatever. This may go to some extent in raising the level of price. We produce about 32 million tons of rice. As the internal price level of rice is determined by its world price level, if the export duty of two annas and three pies per maund is abolished, the price level of rice will rise by that amount which means an increase in the national wealth by about Rs. 11 crores. If the sacrifice of a small revenue to the Exchequer by the abolition of this export duty will bring to the people an amount which will be of very substantial advantage, the sacrifice is really worth making. I trust this iniquitous tax will soon disappear to the great relief of agricultural classes. Unless you conciliate the cultivator, who is the back bone of the country, you will be driving him to despair and it will give a free handle to revolutionaries and terrorists to work on their discontented minds.

The case of cocoanut and the import of that article from Ceylon is another matter requiring Government's serious consideration.

In conclusion, I should like to say that the suggestions I have made are inspired by the single desire to assist the Government in their difficulty to cope with the present situation. I submit that retrenchment all round would have obviated the necessity of fresh taxation this year of unprecedented depression. The agricultural population of India have been the greatest sufferers more than those in any other country. The fact that they have remained quiet in their hour of trial is solely due to their stoical asceticism which have made our countrymen resign to their fate.

Now that Government are on the eve of momentous changes in their constitution, it is hoped that they would be responsive to the popular demands as voiced by their representatives in this House.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): I am not in the habit of indulging in congratulations to Honourable Members on the opposite side, not even to my Honourable friend, Sir George Schuster, although I have the greatest admiration for his talents and his devotion to the interests which he is here to guard. But on this occasion I think I can honestly congratulate him on the statesmanship and foresight which he has shown, at any rate in some of the proposals of his Budget. I do not think that in certain particular matters there is much of agreement on this side of the House, but all the same, I do congratulate my Honourable friend on the courage and statesmanship he has evinced in dealing with them. I shall come to that later on.

Last year I had occasion to point out to him that merely balancing the budget on what he calls sound financial principles is not sufficient. A country's budget may be balanced and yet it may present a very false picture of the economic condition of the country. My Honourable friend recognises that the budget of a country should reflect the economic condition of its people. Sir, as regards the economic condition of the people, he has told us this year in a very interesting portion of his speech that the Government of India, of which he is such an important Member, have always had that question before their mind's eye and that they have always been trying to do their best to improve the position. But he says that the last three or four years have been difficult times for every Government, and, therefore, the Government of India like other Governments had to suffer and had to wait. We all know that this economic depression has inflicted great hardships on all countries, including our country. We also know that the World Economic Conference which was held in London was unable to come to any agreement among the nations and to find a remedy. But I should have liked to know from the Honourable the Finance Member, whose experience and knowledge of these questions nobody can deny, what were the particular causes which have affected us specially, and are there any remedies available which he is able to suggest? He recognises, everybody has to recognise, that India is merely an agricultural country, and the entire wealth and resources of the people depend upon agriculture. Agricultural prices have fallen seriously and there is no sign yet of their recovery. India is a debtor country, she has to meet a large demand in respect of her debts, and it is mainly with her agricultural products that she is able to meet that demand. So far as that is concerned, there is no sign of improvement in the economic condition of the people. As regards the revenues of Government generally, the deterioration still continues and the Honourable Member has told us himself that we are not yet out of the wood, and, therefore, he has given us another emergency Budget. Under the circumstances as he finds them, under the conditions in which he has got to work, under his limitations, he had no option, I take it, but to rely upon the same measures which were started in September 1930. Sir, my complaint has been, and it is the complaint of most Members on this side of the House, that the traditional financial policy of the Government of India, which my Honourable friend has to carry out, is not so sound as we should like to see. We are really moving in a vicious circle. If our outlook is only to balance the Budget out of the revenues of the Government, leaving the expenditure substantially as it is, naturally the Government of India have got to resort to heavy taxation which the people of the country, business, trade and commerce in the country cannot bear. The result of it is that there is no sign of improvement anywhere, and my Honourable friend fully recognises that. No one knows how long this world depression is going to last. Nobody can foretell that. We all know, as a matter of fact, that every country is now trying to be self-contained with respect to the necessities of life. We know that, so far as agricultural products are concerned, there are other countries competing with India and India has to face that competition. It will not be possible for India any longer to rely solely upon her agriculture in order to enable the Government of India to get their revenues and to enable the people to improve their own condition of life. This also is admitted by my Honourable friend. Then, what is left? I think he has made it perfectly clear in his own speech that it is not possible for India to go on like this indefinitely. We must be able to increase the purchasing power of the people, and that can only be done

[Sir Abdur Rahim.]

under the present conditions by industrialising the country. One method that has been adopted so far is protective duties, and that, in the natural course, has led to the diminution of the Government of India's revenue and the Honourable Member says: "I am obliged under those circumstances to have recourse to excise duties, so that the Government Budget may be balanced". That is what I call the vicious circle. The Government of India have to get out of it. The real immediate necessity is for further economy and I do want to impress upon the Government of India that they have to economise in a direction which is still possible. Every year in this House we have been urging upon the Government to reduce the military expenditure to a figure which the people of the country and the revenues of the country can bear. I acknowledge that this expenditure has been reduced from 52 crores to 46 crores.

The Honourable Sir George Schuster: From 55 to 44.

Sir Abdur Rahim: I stand corrected, but may I remind the Honourable Member that at one time the military expenditure went up to 65 crores. I speak from recollection. Then the Incheape Committee came and they recommended a reduction to, I believe, 52 crores (*An Honourable Member:* "51") 51 or 52. The military authorities were able to effect it, but again economic depression came and the revenues of the Government went down further and they had to reduce it to the present figure. Now, Sir, if you look at the history of military expenditure in the last 15 years or so, the House will find that it has been adjusted to the amount of revenue which the Government of India have been getting. In more or less prosperous times, the military expenditure goes up at once. Then, when economic difficulties come, they have to curtail the expenditure. The criterion which we would suggest to the Government of India is this, that the military expenditure must be reduced to a level which the country can bear and which will meet the actual necessities of the case. The other day we discussed the finding of the Capitation Tribunal. The Honourable the Finance Member has been greatly helped by the one crore 78 lakhs that has been received or will be received from His Majesty's Government as a contribution to the Indian military expenditure. He tells us that the House has already been fully informed of the facts of that case, but I am afraid he forgot, when he made that statement, that we are far from being satisfied with the material supplied to us in order to find out whether justice has been done to India or not. Almost every one, who spoke on that occasion from this side of the House, complained that sufficient materials were not supplied to us. We had only brief summaries of the notes of dissent of the two Indian Judges who sat on that Tribunal. Even their full notes have not been supplied to us. Then we asked for the case which the Government of India submitted to the Tribunal, to be placed before us, so that we might be in a position to be satisfied that, as a matter of fact, justice had been done to the claims of India. No more materials have been supplied as yet. I asked the Army Secretary if it was not a fact that if the case, as put forward by the Government of India, was fully accepted, then the contribution, which India would be entitled to, would be much more than what has been conceded. He said, yes. The only explanation that was given by the Honourable the Finance Member in his speech was: "we the Government of India did our best, we advocated the cause of India, but we failed". But I put it to the House that the Government of India are not a mere advocate; we do not recognise the Government of India as an advocate, we consider the

Government of India to be a responsible Government, though not responsible to us; they are a "Government", they are not counsel or barristers or pleaders. We presume that the Government of India, composed as they are, directed as they are from England by a Member of the English Cabinet, when they put forward a case before an important Tribunal like that, they put forward a case which they considered to be just and reasonable. We are entitled to know what that case was. We only know this that, if their case had been accepted, India would have received a much larger amount than two crores of rupees. Sir, there is thus still a possibility of the reduction of military expenditure so far as it is borne by the revenues of India. Sir, we know there was an inquiry by a Committee of this Legislature into the matter, but that inquiry was not complete. The Committee went into certain administrative or ancillary departments of the Army, but the other questions were not dealt with in any way. The case is, that the Army here is maintained more for Imperial purposes than purely for the defence of India, and I say we are entitled to a larger contribution from England towards this expenditure. Sir, I do not wish to say anything more now on the subject, which will, I think, be debated again later on.

I wish now to say something about my Province. I am, Sir, in a very difficult position. I am surrounded by very hungry stalwarts of Bombay (*Laughter*) (*An Honourable Member:* "Wolves"), by my friends from Madras and even by some from the Punjab, but Bengal, which is said to be favoured by the Government, is not unfortunately favoured by my own friends. I say, my Honourable friend, Sir Cowasji Jehangir, can have no reason to be envious of Bengal. If he knew the difficulties that my Province has to go through, which the Government of that Province has to go through, he would not only not be jealous, but he would be very sympathetic. Sir, our trouble began, as that of Bombay, with the Meston Settlement. Ever since that Settlement, the Government of Bengal, not the terrorists, not those who practise civil disobedience, but the Government of Bengal, headed by Lord Ronaldshay, now Lord Zetland, Lord Lytton, Stanley Jackson and the present Governor, Sir George Anderson, repeatedly, I believe more than once a year, have been urging the case of Bengal. They have been pointing out how unjust and unfair this Meston Settlement was to Bengal. Sir, I do not know about the other Provinces, but I can say this that, so far as Bengal is concerned, the result of the Meston Settlement was that the Government of Bengal have been able to spend the least amount for the benefit of the people of Bengal,—the least amount of any Province in India. And, Sir, what are the facts? We are not really asking for a subvention or a dole. Jute is a monopoly of Bengal. Bengal alone produces jute. Suppose we did not grow jute at all, what would be the jute export duty?

Sir Cowasji Jehangir: Supposing India did not produce anything at all?

Sir Abdur Rahim: Sir, if Bombay is able to produce anything, it is by means of the protective duties, which we all of us have to bear. (*Loud Applause.*)

Sir, there is a feeling in Bengal that if the poor cultivators who grow jute are to derive no benefit and if the masses of people in my Province are to derive no benefit, then in that case it is not worth while producing jute at all. Sir, we are not asking for anything which we do not produce. We are entitled to the full jute export duty, and that is our claim. (*Loud Applause.*) and we will go on insisting on that. (*Hear, hear.*) It is a

[Sir Abdur Rahim:]

case of dire need so far as Bengal is concerned and we want what we are entitled to—just as in the case of any other crop, rice or wheat, a Province is entitled to that, and we are entitled to jute and all that it brings. (Hear, hear.) Sir, if jute has been made a source of Central revenue that is against our will and against our consent, and, therefore, we are not asking for any dole or charity. Bengal is a very poor Province, but I think Bengal has a certain amount of self-respect and Bengal wants only fair play. We do not want to be unjust to any other Province. The attitude of Members from Bengal has shown that we are always ready, in the interests of the entire country, to grant to every Province what is its due. I for one am a great admirer of the Province of Bombay. I am not jealous of Bombay. I admire Bombay's business enterprise and we are ready to pay for it. We make our contribution, a pretty heavy contribution. The same as regards wheat, for instance. We are not jealous of the Punjab; we have to bear some burden in order that the Punjab agriculturists, amongst whom I have so many friends, may prosper. Therefore, in the case of Bengal, what we are asking for is bare justice and fair play; and I congratulate my Honourable friend, Sir George Schuster, who has made this proposal, knowing as he does the feelings, the inter-provincial, the inter-communal feeling that exists in this House, that it requires a certain amount of courage to put forward such a proposal. I do hope also that my friend, Sir Cowasji Jehangir, or his Province does not really want to deprive Bengal of her just dues. I can assure Sir Cowasji Jehangir that we on our part also will be just to Bombay's case. While I am on this subject, I may be allowed to say that we put forward the case of Bengal before the Joint Parliamentary Select Committee and whatever my friends, Mr. Mody and Sir Cowasji Jehangir, may say, Bengal for some reason or other is not favoured by anybody. I do not want to discuss that, but the Joint Parliamentary Select Committee were convinced that there was a good case for Bengal, and, but for the necessities of the Central Government, we would have pressed for the entire jute duty for ourselves. On the Joint Parliamentary Select Committee at least I did not hear that any other Province had any particular grievance to put forward.

Sir Cowasji Jehangir: May I point out to the Honourable Member that in the Third Round Table Conference the case of all Provinces, who contribute to the Centre, through the income-tax, was fully discussed and Bombay's case was fully represented along with that of Bengal. And may I also point out to the Honourable Member that both Bengal and Bombay stand exactly in the same position with regard to the Meston Settlement, and we have both complained about it from exactly the same time.

Mr. A. H. Ghuznavi: Quote it from the report.

Sir Cowasji Jehangir: My Honourable friend's ignorance (referring to Mr. Ghuznavi's interjection) is colossal, and, therefore, I cannot help him. I do not know whether he was a Member of the Committee, but I do want to tell my Honourable friend opposite that if he is ignorant he had better not betray it in this House.

Sir Abdur Rahim: I do not mean to suggest that Bombay did not have a case against the Meston Settlement. Though I was not a Member of any of the Round Table Conferences, I know it as a matter of fact that

they objected very strongly to the Meston Settlement. All that I said was, and I can say that without any fear of contradiction, that in the Joint Parliamentary Select Committee we had no positive case or grievance put forward by any Province except Bengal. Anyway, as I have said, so far as we from Bengal are concerned, we will keep an absolutely open mind whenever the case of Bombay or of any other Province comes before the House as indeed we have always done.

Then, Sir, there is another matter in which, I think, the Honourable the Finance Member has done justice to a large class of men and they are the exporters of hides. He has rightly pointed out that that trade was about to be extinct owing to the hide export duty. I know my friends from Madras feared that the hide duty was likely to interfere with the tanning and the connected business that flourishes in that province. I do not think that that would really be the case. I have not the figures before me, but my recollection is that, as a matter of fact, there are lots of surplus hides which could safely be exported without injuring any tanning industry in this country, and I do think that, by the removal of this duty, the Government of India will be strengthening the economic position of a very large class of people, not only in my Province, but in the Provinces of Bihar, Punjab, the United Provinces and Burma. I, therefore, entirely support the proposal of the Honourable the Finance Member regarding the hide duty.

As regards the excise duty on sugar and the arrangements which the Honourable Member has proposed, I should like to know from him one fact whether it is proposed to take off the surcharge from the sugar duty.

The Honourable Sir George Schuster: No, certainly not. I made that perfectly clear.

Mr. President (The Honourable Sir Shanmukham Chetty): There has been some confusion on that point, and the Honourable Member should perhaps make it clear, to save any further waste of time, that the import duty would still remain at Rs. 9-1-0 per cwt.

The Honourable Sir George Schuster: Certainly.

Sir Abdur Rahim: It was not very clear. I read the speech.

The Honourable Sir George Schuster: I think I made it quite clear by saying that the effective margin of protection would be Rs. 7-12-0 per cwt., that is, the difference between Rs. 9-1-0 and Rs. 1-5-0.

Sir Abdur Rahim: Is that the protection that is to remain, or in addition to that there will be the surcharge?

The Honourable Sir George Schuster: That is the protection that is to remain. The import duty remains Rs. 9-1-0.

Sir Abdur Rahim: What about the surcharge?

The Honourable Sir George Schuster: That remains on the import duty

Sir Abdur Rahim: If that is so, then the position is quite clear.

Sir, my Honourable friend has, as I said, given us a very interesting account of the relation between the economic position of the country and the finances of the Government of India. But may I suggest to him another thing. We cannot have a proper picture either of the finances of India as a whole or of the economic position of the people as a whole, unless we have also something before us to give us the picture of the Provinces as well. If we had, for instance, on this occasion a statement of the financial position of the Provinces, then, in that case, much of the controversy, that has arisen on some of the proposals of my Honourable friend, would have been obviated. I should like him to consider if it would not be possible—not for him, but for his successor—to give us at the time, when the Budget of the Government of India is presented, some account also of the Provinces, because, after all, without the Provinces any idea of the financial and economic position of the country would be incomplete.

Sir, one word more and I have done. I will conclude by saying that the present Budget of the Honourable Member has given us much greater information about the financial position than his other Budgets. We entirely sympathise with the Honourable Member in the difficulties he has been going through. He has carried out, as he is bound to do, the policy of the Government of India and he has boldly faced the situation. Sir, as this is his last Budget and as he will be leaving us soon, I wish to add my tribute to the manner in which he has discharged his duties and wish him all happiness and prosperity in his future career. (Applause.)

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 Sir Shanmukham Chetty) in the Chair.

Mr. B. Das: Sir, there are two revolutionary features in the Budget which the Finance Member has introduced this year and which will have very far-reaching and revolutionary effects in the future administration, not only of the Central Government—which is going to be a Federal Government soon—but of the Provinces. The two revolutionary features are these. One is that the Finance Member has drawn on almost every aspect of the Federal Reserve Finance that was designed by the Federal Finance Committee and that the future Federal Government would have drawn. He has almost exhausted those taxes. The other is that he has roused inter-provincial bickerings and inter-provincial jealousies which are not only a feature in this Budget debate, but which will continue and be a feature in our public life in India.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Is it his fault or yours?

Mr. B. Das: We contribute equally to that and must bear an equal share of the responsibility.

Sir, my Honourable friend must admit that the excise duty on matches or the other taxes that he has introduced this year would have been a feature had there been a Federal Legislature today and would have gone to increase the funds at the disposal of the Federal Government, so that the Federal Government would lighten the burden of the Provinces and would give them the necessary relief, and that was the recommendation not only of the Federal Finance Committee, but also of the Secretary of State as contained in the memoranda of Sir Malcolm Hailey to the Joint Parliamentary Committee and to which the Honourable the Finance Member was no doubt a party. If the Provinces are to enjoy their full share of the income-tax, the Federal Government would need more money and for that the excise duties on matches and tobacco and similar taxes were recommended to be Federal Revenues. But my Honourable friend has already appropriated those revenues to balance his Budget.

Sir, one special feature of the Honourable Member's Budget this year is that he has tried to tinker with the scientific planning of taxation. I have already expressed the view on several occasions, and I again wish to state that the time has come for the Finance Member of the Government of India to depend more and more on specific duties for Customs revenue and on excise duties on manufactured products to meet the future demands of the Government. Much stress has been laid on the fact that the sugar excise duty will be a burden. We will have ample opportunities to discuss whether it will be a burden or it will not be a burden, but in future Budgets excise duties will be a general feature which we have to recognise and admit. And this is not a new surprise. The Percy Committee laid particular stress on it, and, even before that, the Taxation Inquiry Committee made recommendations that tobacco should be a Federal Revenue and that source of revenue should be explored. While the Percy Committee suggested that the time was not yet ripe for tobacco to be taxed, the Honourable the Finance Member in his difficulty has taxed that item. Sir, my grouse against the Finance Member is that the two crores which he has received as contribution from the British Government towards the cost of defence of India he has appropriated for meeting the exigencies of the Central Government's needs. But as one who has read and followed the discussions of the various Federal Finance Sub-Committees' and the Percy Committee's reports, I would have thought that this money, that came as a relief to the Central Government, would have gone to meet the needs of the Provinces. But that hope has been belied. The Percy Committee recommended that matches should have an excise duty and foreshadowed that it was under active consideration of the Government of India. While the Government of India have appropriated that excise revenue, how far it is purely the Government of India's own receipts or whether it will go in future completely to meet the deficits of the Provincial Governments, that the Finance Member will have to consider in the near future.

I have to utter one word of sympathy with the Finance Member on the way his colleague, the Railway Member, has repudiated the contribution of six crores to the general finance for the last four years. The Honourable the Finance Member is so much afraid of the Honourable the Railway Member that he does not state in his Budget speech that the Railway Department should pay interest on these 24 crores that are now due to the general finances.

Mr. N. M. Joshi (Nominated Non-Official): What will you get?

Mr. B. Das: I want the capital and the interest. I want the Government of India to claim from the railways not only the money, but the accruing interest on those outstandings at the rate at which the companies pay interest on borrowed capital.

Mr. N. M. Joshi: That is simply a transfer from one pocket to another of the same person.

Mr. B. Das: My Honourable friend, Mr. Joshi, who is a party to the Statutory Railway Authority, and who has handed over the whole railways to be managed or mismanaged, as it liked, by a constituted Railway Authority, says that it is a transfer from one pocket to another. Certainly not. It is from the tax-payer's pocket to an organised body who will manage it as they like or mismanage it as they like under the guise of commercial control. And we want a guarantee and I want my friend to make a statement that he is going to realise this accrued sum of Rs. 24 crores which the railways owe to us and that he believes that these six crores or 5½ crores which the Percy Committee took into account in the Federal Finance Committee's report would be a permanent feature of general finance and the Railway Statutory Authority will not evade payment of it.

Every year in the Budget discussion, I had the privilege of suggesting some new items of taxation, which the Government always evaded. Now also I would like to mention some new sources of taxation which might be exploited to the advantage of the nation. I suggest that there should be an excise duty on solid vegetable oil products, which is known as vegetable *ghee*, that there should be speedy equalisation of the import duty and excise duty on kerosene and allied products. Then, again, the Honourable the Finance Member is so afraid of Mr. Neville Chamberlain, the British Chancellor of the Exchequer, that he cannot put an export duty on gold. It is high time that he took courage in both his hands and give us a parting gift in the shape of an export duty on gold. I would also welcome very much an import duty on rice so that Japanese and Siamese rice—like the Siamese twins—should not come in and lower the price of rice in our country further.

One particular feature, if you look at the receipts from taxation, is, as my Honourable friend, Sir Leslie Hudson, pointed out, that there is diminishing return throughout. I find that there is evasion of taxation in many directions. Take, for instance, the income-tax. I congratulate the Honourable the Finance Member and the Finance Secretary on the nice explanatory memorandum they have circulated in which they have given statistics and figures for ten years. We find from it that while in 1921-22 income-tax receipts were Rs. 21.89 lakhs, they have now gone down to Rs. 17.15 lakhs; and the collection expenditure which was 20 lakhs in 1921-22 has gone up to Rs. 85 lakhs. But what has happened? The upper and lower middle classes are paying through the nose—the thousand rupees lower level has come and surcharges have come, but there has been evasion of taxation by the rich. Why should the rich evade taxation? Has the Honourable the Finance Member ever thought of it? I suggest that there should be an expert Committee to inquire as to how there is evasion of payment of income-taxes. Income-tax today is a huge burden on the middle classes, lower and upper; while the

rich, the Bombay and Ahmedabad millowners, who stated on the floor of the House in 1926, "Remove the cotton excise duty and we will return Rs. 2½ crores in the shape of additional income-tax", continue to evade it and the result is that the receipts have come down to Rs. 17 crores; and if an expert Committee goes into it, it will find that the income-tax is evaded by the rich people. The time is not come yet when I will accept my Honourable friend, Mr. Joshi's dictum that there should be a capital levy in this country—I am not going to subscribe to that. Then, what is the other alternative? Excise duty, specific duty and non-evasion of income-tax by the rich.

I said that my Honourable friend, the Finance Member had roused this inter-provincial bickering and it is sad to see Sir Cowasji Jehangir and Mr. Mody pleading for the poverty of Bombay; if you look at them, you will say that poverty is nowhere there; but I think Bengal needed this relief. If there was a Federation from 1931, Bengal would have received this much-needed relief long before. I shall take this opportunity on behalf of Bihar and Orissa also to accept with gratitude the generous gift of the Government of India towards the Earthquake relief which my friend, Mr. Gaya Prasad Singh, also acknowledged. But my friend, Sir Muhammad Yakub, was ungenerous to refer to a certain statement of my very much respected and esteemed friend, Mr. Rajendra Prasad, that he made certain ungrateful observations in his communiqué to the Press. It is possible that the full text of the Budget speech was not available at the time, and already my friends from Bihar have made atonement for it and they have expressed their deep gratitude to the Central Government. As regards this donation of Rs. 1.75 lakhs, I think if the Government had capitalised it at four per cent. and given an interest free loan of nearly Rs. 35 to 40 crores, it would have done much more towards the reconstruction of Bihar, than this donation which might be frittered away by the Local Government and local authorities, and the real construction of the earthquake area may not go on so rapidly.

I now come to the case of Orissa. Mr. Mody talked of subvention; although the Secretary of State has assured a subvention of Rs. 28.5 lakhs for Orissa, Mr. Mitra yesterday pulled my leg a bit: the Honourable the Finance Member has taken no note of the Hubback Enquiry Committee which recommended that the Government of India should take early steps to build the new Capital for Orissa at Puri and Cuttack, so that, when the Governor will be appointed next year, he can take charge of the Orissa administration without any trouble over accommodation. In writings in the press I have expressed the view that at least Rs. eight lakhs should have been budgeted for this year by the Government of India, and I hope that in a supplementary demand they will bring it up so that the Government of Bihar and Orissa can make a start with the capital construction in Orissa.

One good feature of the Budget is the strength of the financial position of the Government of India; and I welcome also the fact that our debt position is much better. But the Honourable the Finance Member has not taken us into confidence as to how much of our sterling loans was converted in England at low rates of interest: we know that last year Britain took the advantage of converting £2,000 million of her debt at low rates of interest. I do hope the Honourable the Finance Member will tell us that he has converted all our sterling loans

[Mr. B. Das.]

which were carrying high rates of interest to low rates of interest; and in fact he told us last year some time that he was in communication with the British Government: I hope he will tell us how much of the war loan, which we bore as a generous contribution to England, has been converted to lower rates of interest: in equity, Britain ought to permit India to convert all her sterling loans to a lower rate of interest—2½ or three per cent. as Britain did all her own war debts. . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Mr. B. Das: Although I concede to my friend the strength and soundness of his Government finance, I do not concede that he has brought strength to the national finance of India. The economic distress, due to the 18d. ratio currency further depressed through the rupee being linked to the sterling in 1931, has rendered the coffers of the Government poor, it has made the country so poor that the Finance Member has now to depend for his Budget on the harvest and monsoon as Sir Guy Fleetwood Wilson used to do in 1910 and 1912 when the late Mr. Gokhale was the champion of public finance in India. It is a pity that in the year 1934 Sir George Schuster should be thinking of harvests and monsoons. Therefore, as my friend, Mr. Mody, pointed out, I ask the Finance Member, if he cannot during the short time, he will be with us, do anything to improve the position, to at least leave a comprehensive note to his successor that Indian industries must be developed and fostered, because only by that method the economic resources of the country will flourish. Only sound national finance—not sound Government finance—will bring in succour to the economic position in the country and remove the economic distress of the nation, and bring prosperity to India.

Mr. Amar Nath Dutt: Sir, we are faced with a very difficult situation in criticising this Budget, as we remember that it is the last Budget of a great Finance Member who has presided over the financial destinies of this country for the past six years and who has tried his best to put Indian finance on a sound basis. Sir, I beg to submit that I have not been able to peruse the 51 pages of his speech along with the explanatory note as carefully as I ought to have done during the short time at my disposal. Not being an economist or a mathematician, I have not the same capacity to understand figures and the many economic problems discussed in the speech, and I think within the short time at my disposal it will not be possible for me to traverse the whole field that has been traversed in this great speech of the Honourable the Finance Member. Yet, Sir, I feel it my duty to say a word or two about matters presented to us in the Budget speech. It is not possible, nor is it desirable, that in a general discussion every one of us can or should traverse the whole field, and so, many Members have taken up only particular aspects of the Budget in this general discussion.

Sir, let me first say something about the military budget. No doubt, it is a matter for satisfaction that the military budget has been reduced to 44 crores 38 lakhs for the next year, but, as has been observed by the Honourable the Finance Member himself, this has been possible largely to unforeseen savings from low level of prices and also to postponement of re-equipment and building programme and a reduction of

stocks of stores and permanent retrenchments and economies. Sir, in times of peace, I do not think any country is justified in keeping its military expenditure at more than 20 per cent. of the general revenues of the country. That was the dictum of the Brussels Conference, and I see that the time is yet far off when we can come to that desired figure. We have been urging and urging for the Indianisation of the Army, and I think, if a large proportion of the British Army, that is now stationed in India, were replaced by Indian soldiers, much of the military expenditure could be reduced. That is a thing which we have been pressing in this House year in and year out, but that has not been heeded to, but I think the Finance Member is not to be blamed for it. I am not one of those who will charge the Finance Member with all the sins of every one whose case he has to present. There may be certain people who even connect natural disasters like the earthquake with the sins of my friends like Raja Bahadur Krishnamachariar. I have not got that mentality, and I think that no man who has any common sense would make such statements openly in public. By this I am not to be understood that the Finance Member is not responsible

An Honourable Member: For the earthquake?

Mr. Amar Nath Dutt: My friend says "for the earthquake". If my friend accepts that logic, and I believe he accepts it,—I for one would exonerate the Finance Member from all liability due to these unfortunate occurrences. Sir, the Finance Member has tried his best to produce a Budget in these times of economic depression and natural disaster with as much sympathy and care as it was possible for him to do, and for that, Sir, the thanks of this whole House, not merely of the Provinces of Bengal and Bihar, but the thanks of the whole House are due to him, because we must all be deeply grateful to him for the very generous relief he has afforded to the unfortunate Province of Bihar, and, in this action of his, Sir, we find Schuster the man and not Schuster the financier, and, if Honourable Members were inclined to make a true and just estimate of the services rendered by that great financier, they will find in it the things that are uppermost in his heart to benefit the country. I wish, Sir, that he had also the same free hand in framing the military budget, but as he has not a hand in it, he had no other alternative but to accept the figures given by the military authorities.

Sir, I have another grievance against the Government, and not against the Finance Member. My belief is that retrenchment has not been carried out to the fullest extent necessary considering the needs of the country at the present moment. Honourable Members are aware that there is acute distress everywhere in the country, and there is also great destitution in the country. Look at the poor agricultural masses. They hardly get one meal a day. Look at the professional man. His income has been reduced by more than fifty per cent., and yet, Sir, we do not find that much has been done to retrench the salaries of highly paid officials of the Government. At one time it occurred to me whether we exist for the services, I mean whether the poor tax-payers exist for the services, or the services exist for the people. In private firms, Sir, I know people who were drawing Rs. 500 and Rs. 600 have been told that they could not be paid so much; they were told that they could be paid not more than Rs. 200 and they were told "You can stay on if you like,

[Mr. Amar Nath Dutt.]

we shall try to keep you on, but we cannot pay you more. If you think that you deserve more and you cannot continue your services here for less than the salary you are now getting, you can leave". And we know that they accepted it. If the same ultimatum had been given, and if it were possible for us to give the same ultimatum from the floor of this House to the high paid officers of the Government: "We can pay you this much and not more." I believe that many would have stuck to their posts, not only because they would not be able to get higher salaries elsewhere, but also because of a high sense of patriotic duty and also a sense of serving India for which the Englishmen have come out here. In this connection I have suggested more than once, in these hard days not to retrench men, but to retrench the salaries. (Hear, hear.) And I know from the lips of retrenched men and also from those who expect retrenchment that it is better to have lesser salaries than to be retrenched and thrown on the streets. What I, therefore, say is, don't retrench a single individual in this time of distress and deprive them of their bread, though that is what the Government are doing. The Government are retrenching men, not the salaries. I beg to submit that, if better times come, they will have their high salaries, but when better times are not in sight, please don't retrench a single individual and make them starve in order to keep a few highly paid officials in service.

When I looked through the demands for grants, I found that justice had not been done to certain departments which deserved more consideration than others. The great Viceroy, Lord Curzon, had a great imagination when he undertook measures to preserve the ancient monuments and relics of ancient civilisation and started the Department of Archaeology. And what is the grant? Nobody speaks for the Department. What is the grant for the Department? It is only a little over Rs. 10 lakhs. I say that for a Department like that, which throws valuable light on the history of our ancient culture and civilization—such as the Indus valley civilisation—is unable to carry on the work as it should, as the department is being starved at present and cannot carry on their great work for want of an adequate number of subordinates and officers. There is no provision for even training probationers in that Department, which is a specialised department. I think some attention should have been paid to this Department which will throw much light into the greatness of our ancient Indian history and civilisation.

There have been certain excise duties on certain articles about which much has been said in this House, and there has also been objection to the same. So, I shall not traverse the same ground over again. With respect to matches, I do not know whether it will yield much in the shape of excise revenue considering that the indigenous method of iron and stone for making fire may be resorted to when we find that matches are very dear.

As regards postal and telegraph rates, we would have welcomed a two pice postcard instead of a four pice envelope, and that would have given more relief to the poor. We expected the abolition of income-tax on Rs. 2,000 and below and also the imposition of surtax, but that has not been done. We have been told of agricultural and industrial expansion. There may be industrial expansion, but what is meant by agricultural expansion I do not really understand. Of course, I find mention of irrigation works being undertaken, and if that is called expansion, I submit that such expansion is

not needed, for when steps have been taken to guard against overproduction of sugar, why not take the same steps about agricultural produce also? We find one line in the statement of the Finance Member that certain legislation will be brought into this House by which the Local Governments will be able to fix the price of sugar. Why not do the same thing with respect to rice which affects millions of my countrymen? If the Government can do this with respect to one agricultural produce, I mean, sugar cane, how can it not be done with respect to rice? As regards finding out ways and means, I am not an expert in the matter, and I cannot say. We leave it to the Government to devise means to see that the price of paddy or rice does not go down below a certain level. Of course, I agree with my Honourable friend as regards the difficulties of production control; probably it is not possible to have production control at the present moment as it is being undertaken in the United States of America.

About certain grant to Bengal which is rather a belated one, there is raised some protest from some quarters beginning with my Honourable friend, Mr. Reddi, down to my Honourable friend, Sir Cowasji Jehangir.

Mr. A. H. Ghuznavi: It is not a grant. It is our own money which we are getting back.

Mr. Amar Nath Dutt: Yes, but they say grant. Even if it were so, I can well understand Sir Cowasji Jehangir protesting against this just adjustment of Bengal's claim, but I do not understand why my Honourable friend from Madras should object to it. If he looks at his own contribution to the central finances I think he will be disillusioned immediately, but, probably that is not his task.

An Honourable Member: Madras is a poor province.

Mr. Amar Nath Dutt: I think that my Honourable friend, Sir Cowasji Jehangir, was a little too hard upon Bengal when he referred to it. I quite sympathise with him when he pleads for his own Presidency, but the way in which he put it led us to think that in his heart of hearts he is jealous, and, whether he gets anything or not, he wants that Bengal should not get it.

Sir Cowasji Jehangir: That is not correct.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Mr. Amar Nath Dutt: The whole subject has been dealt with in a very able and dignified manner by the Honourable Member from Bengal, Sir Abdur Rahim.

Lastly, I may say that we are all grateful to the Finance Member for the balanced Budget which he has produced and for the six years of service which he has rendered to India, and we wish him all happiness in his retirement and we hope that he will never forget India, and, quoting the words of our great Poet Tagore, I would say to him:

"Hauk Sundara taba

Bidayer kshan."

"Let love's roseate hue

Pervade our farewell to you."

Mr. N. M. Joshi: Mr. President, though I have the honour of following my Honourable friend from Bengal, I assure you that I have no desire to turn this debate into a wrangle between Bombay and Bengal and other Provinces. We all know how grievously our country has suffered on account of the inter-communal wrangles. I am afraid, if we do not act wisely, it is quite possible that our country may suffer still more on account of inter-provincial jealousies. Moreover, I shall have an opportunity of speaking on this subject later on, but I would say one word to the Government of India and to the Members of the Legislature, that, in a matter of this kind, where the rights of the different Provinces are concerned, it is much better that the decision should be left to an impartial and scientific body than that a decision should be taken by either a Government or a Legislature on political grounds.

When the Honourable the Finance Member made his speech, he gave us one warning. He said whatever we may say about his Budget, we must not say that he or the Government which he represents was drifting. I was one of the Members who, during the discussion of the Railway Budget, stated that the Government of India were drifting and were being carried one way or the other either by the force of the current of the stream or by the breeze which blows over it. I assure you and the Honourable the Finance Member that I shall not say that the Government are drifting, but I should be permitted to find out how far the proposals made by the Government of India are made in accordance with a plan which they had made before and announced before. Before going into the details, I must say one thing, that the Honourable the Finance Member has given a long explanation as to what the Government of India have been doing. He says that not only our Budget is balanced, but that the economic condition of the country is improved. I am glad of one thing, that the Honourable the Finance Member has thought it right to give an explanation as regards the criticism which has been offered on this point. I feel that his explanation is plausible. However, I am grateful to the Honourable the Finance Member that after all he is not indifferent to our criticism. He has shown himself responsive to the criticism, and I feel that the battle for having a planned economics in this country, if not half won, is at least seriously begun. I feel that as the subject of planned economy is going to be discussed on a cut motion, I shall not deal with that subject fully, but I would try to examine the Budget of the Honourable the Finance Member from this point of view.

The Honourable the Finance Member has brought out a balanced Budget and he has done that by four methods, firstly, he has reduced the contribution for the avoidance and reduction of debt. Well, we must admit that he has done it by a plan. Secondly, he has received some grant from the British Government on account of the decision of the Capitation Tribunal. I am sure, this is not by a plan. He has received some money by way of recovery of the loan from the Persian Government. Then, the Honourable the Finance Member has also balanced the Budget, because the rate of interest has come down and we have to pay a smaller amount of money by way of interest on the loans that we have taken. I am sure, even the Honourable the Finance Member, although he claims that he has on the whole not only protected the credit of this country, but improved it, still I am sure he will not say that the world factor has not played an important part in this matter. Is there a country in the world where the rate of interest has not gone down? People in the whole

world find it difficult to get their money employed. They have no confidence in the private capitalists. They are willing to offer money to Governments and all over the world the rate of interest has gone down, and although I am prepared to give the Honourable the Finance Member whatever credit may be due for the steps which he has taken to buttress our credit, still, I am sure, he will have to admit that the credit is not entirely due to him.

Then, the Finance Member has stated that the British Government has postponed the payment of interest on the war debts. May I ask the Honourable the Finance Member what steps he has taken as the British Chancellor of the Exchequer has done for the cancellation of war debts? It is not enough that we should postpone the payment of the interest on war debt, but, as the other Governments in the world have taken active steps for the cancellation of the war debts, I think it is the duty of our Government to follow suit.

Then, the Honourable the Finance Member has balanced his Budget by making a cut in the expenditure. He has in the first place cut
3 P.M. down the salaries. I feel that there are some officers maintained by our Government in whose salary a cut may justifiably be made. But I feel that a cut made in the salaries of people, who get very small salaries and who have no margin of saving, is a wrong thing. It is a wrong done to those individuals and it is a wrong done to the country, because, by reducing the purchasing power of a large number of people, we are not helping towards the recovery which we are all aiming at.

Then, the Honourable the Finance Member has also balanced the Budget by refusing to spend money on projects on which we should have spent money. I shall not go into the question of industrial development, but I shall restrict myself to some objects on which the Government of India should have spent money. The Government of India are not paying a large number of their men properly. They have not provided for their future. Take, for instance, the inferior servants. They get a small pension of either Rs. 4 or Rs. 6 a month. The Government of India should have increased their pensions, and, if they had increased their pensions, the purchasing power of these people would have gone up. Well, I shall not go into this question also at length, because, by your indulgence and by the indulgence of the House, I may be able to place that subject before the House at greater length on another occasion.

Then, the Honourable the Finance Member has balanced his Budget by fresh taxation. I shall not also go into the details of the taxation proposals on this occasion, as I feel that that subject may be dealt with more fully on another occasion, but I shall say this that the Honourable the Finance Member is still pursuing his iniquitous policy of taxing people without any regard to their ability to pay taxes. He has been increasing our indirect taxation, which falls upon the people not in accordance with their ability to pay such taxation, but in accordance with the goods which they consume. Then, the Honourable the Finance Member must remember that when we levy taxation, we must see why we are levying that taxation. Everybody here admits that a major portion of the Government of India's revenues is spent on military expenditure and this military expenditure is necessary not, certainly, so much in the interest of the poor people who have nothing to lose, but in the interest of the rich people. I had, therefore, hoped that the Honourable the Finance Member would have made a change in his policy in the matter of taxation. Unfortunately he has not done that.

[Mr. N. M. Joshi.]

Now, I shall deal with one subject which the Honourable the Finance Member has dealt with in his speech. The Honourable the Finance Member has shown that on the whole, on account of his policy, the country's trade has improved and is improving and that the condition of the mass of agriculturists also has improved to some extent. I shall try to examine these statements, Mr. President, in the few minutes which I have now before me. It is true that so far as our trade is concerned, our exports have gone up a bit and our imports are also reduced and, on the whole, the Honourable the Finance Member may take some credit for what he calls the favourable balance of trade. But what the country needs more than a favourable balance of trade is a larger volume of trade and the Honourable the Finance Member will admit that our trade has gone down to half of what it used to be. Then let us examine a few figures of exports and imports. Our exports have gone up, because our exports of cotton have improved. Here, again, this increase of exports is not due entirely to Government. Our exports had gone down, because Japan had boycotted us. It is true they gave an opportunity to Government to negotiate with Japan, but, on the whole, if this is a plan, it is a plan which is not voluntary, but one which was forced upon Government by another nation. Then, there is the increase in our exports of oilseeds. Here, again, one must observe that this increase may not be a permanent one. We have yet to see whether this increase is a permanent one and is not due to fortuitous circumstances. As regards imports, our imports have gone down, especially in cloth and in sugar. I do not wish to deal with these two subjects now, because I shall have another opportunity of dealing with them. But still I would like the Honourable the Finance Member to consider this question very seriously that, what the country needs more, is not a more favourable balance of trade, but an increase of trade all along.

Secondly, I would like the Honourable the Finance Member also to consider whether a trade consisting of our importing manufactured goods and exporting raw goods is the right kind of trade, and whether we should not follow a policy by which there will be an exchange of manufactured goods between ourselves and the other countries.

The Honourable the Finance Member has also made the statement in justification of his policy on page 42 that the condition of the agricultural masses is generally improving and he says that they have at least sufficient to eat. Now, I may not know much about the condition of the agricultural masses in this country, but it is a well-known fact that people in India take only one meal a day and we have yet to know an agriculturist who has got sufficient to eat. Then the Honourable the Finance Member states that the agriculturist in this country, besides having sufficient to eat, has cash in hand to pay taxes although the money required is smaller. Now, I do not know whether the taxes which the agricultural masses pay to this Government by way of indirect taxation have been reduced. I have not known that fact. It is quite possible the Provincial Governments may have given them some suspension of land revenue and even some remission, but that is a very small part of the taxation which the poor people pay in this country, and, although it is quite possible, they may have paid the taxes instead of losing their lands on account of other holdings of the small gold which they may have had, or by starving themselves, it is not right to say that their condition has improved.

Thirdly, the Honourable the Finance Member relied on certain figures of consumption of goods in justification of the statement he has made that the condition of the people is improving. He has given on page 42 of his speech certain figures of consumption—cloth consumption, kerosene consumption, consumption of salt, etc. Now, if we look into these figures, we shall find that in cloth alone there is a small increase of consumption of 11 per cent over the average, but that is in quantity. If you take the value, there is a decrease from 100 per cent to 69 per cent,—a decrease of 31 per cent. Then, in the matter of kerosene oil, there is a decrease even in the consumption by the poor people of kerosene: the decrease is of eight per cent in quantity and of 26 per cent in value. In salt, there is a decrease of four per cent in quantity and a decrease of 18 per cent in value.

Now, the Honourable the Finance Member says that the agricultural masses have money sufficient to eat, sufficient to pay the Government taxes and sufficient to purchase what he calls necessities at a reasonable standard. I shall not go into any further details, but I wish to say this that the figures which he has given do not show that the consumption has gone up. Secondly, what the Honourable the Finance Member should have realised was that if the condition of the people had remained the same—it may not have improved,—the consumption should have improved, because the prices have gone down. Thirdly, what the Honourable the Finance Member should have also realised was that the population of India has also increased and so it is not enough that the consumption in mere quantity should remain the same or should increase. He must show that the consumption has increased in proportion to the fall in prices and in proportion to the increase in population. I feel that, on the whole, the Honourable the Finance Member had not given us figures to show that the condition of the people had improved.

Diwan Bahadur A. Ramaswami Mudaliar: Mr. President, on a famous occasion, which you may perhaps be able to recall, the Finance Member of a Provincial Government, after listening to nearly 50 speeches which began with congratulations and ended with a severe criticism of his Budget proposals, consoled himself with the scriptural saying:

"Woe unto thee when all men speak well of thee."

I am not perfectly certain whether that is not the feeling of the Honourable the Finance Member on the present occasion, for Member after Member, who got up to praise and congratulate the Honourable the Finance Member on what they called the balanced Budget, ended with a series of criticisms which must necessarily destroy the whole scheme of his Budget.

I propose in the very few minutes at my disposal to examine only a few features of the Budget and particularly those which generally receive the least amount of attention from Honourable Members in this House. I will refer particularly to his proposals regarding the redemption of the debt. He has reduced it to three crores in the present year, whereas, under the scheme which was accepted in 1924, the amount ought to have been seven crores and eight lakhs. You are aware, Mr. President, and in fact on that occasion, as is usual with you on financial questions, you took a very prominent part in the debate when Sir Basil Blackett put forward the scheme in 1924 that the debt redemption fund should be based on a sum of four crores for all debts that were incurred before the 1st April, 1924, and a proportion of 1½ per cent. of all loans that might be borrowed thereafter. There is no question of differentiation between productive and non-productive

[Diwan Bahadur A. Ramaswami Mudaliar.]

tive debts. The 1½ per cent. was based on the scheme that a 80-year period of redemption was necessary for all debts that were taken after the year 1924. There were many debts taken out after that year, practically all of which were productive debts. But that did not affect the argument of Sir Basil Blackett at that time. You and others protested against that scheme at the time. You said that the amount set apart for debt redemption was far too high, but Sir Basil Blackett's reply then was that it was a raid on the Sinking Fund that you wanted to carry out and he protested vehemently against that raid. I wish Sir Basil Blackett, by some Divine dispensation to which my Honourable friend, Sir Cowasji Jehangir, referred, was now in this House and on my side of the House and I wish that he would repeat the statements that he then made about the "raid on the Sinking Fund", the immorality of that raid and the fact that it would immediately decrease the position and the financial credit of this country. Now, my Honourable friend has suggested, and I am not quarrelling with his suggestion, that he is justified in reducing the debt to three crores. My quarrel with him and throughout his proposals in this Budget is this that, while he has taken very good care about the present Budget, he has unnecessarily entered caveats against similar proposals for the future, and, therefore, has jeopardised the position so far as the future is concerned. If a debt redemption of three crores is necessary and is sufficient today, if it was all that was required for the current year and if it is all that is required for the next year, then, why, I ask, has the Honourable the Finance Member put in a caveat that it does not mean a permanent provision, that it should not be understood to be a permanent arrangement and that no future Finance Member, no successor of his, can take this as a precedent? Why has he got this financial precedent for himself and why does he not allow the same precedent to be followed by others who may succeed him and may be inclined to accept it? Not only that, but if you were to examine the proposals of the Honourable the Finance Member, you will find that in various other manners also he has similarly failed to provide for the usual redemption funds. Take the Posts and Telegraphs Department. There is generally a sum of about 30 lakhs provided in the Depreciation Fund of that Department, but the Honourable the Finance Member has not provided that fund this year. He says he has not provided it and he does not propose to provide it. But he enters a caveat again and says that this must not be understood to be a permanent arrangement. He says "I have done it, but nobody else shall have the right to do it". It is against that attitude that I complain and it is against that attitude that I venture to enter a very humble protest. If the Honourable the Finance Member was satisfied, and, according to his own showing, he is satisfied that unless the railway revenues are prepared to give their usual contribution for amortization of their portion of the debt, the general revenues should not be called upon to put into the debt redemption fund any amount of money. Then, I ask, why has he not turned it into a permanent arrangement? If he says, for the unproductive debt, we have now to provide on the same basis as Sir Basil Blackett did, namely, on a 80-year basis, I am agreeable to provide 2½ crores at 1½ per cent. Then, so far as the railway debt is concerned, provide for it only to the extent that the railways are able to provide or contribute to the general revenues. I can understand that as a legitimate position to take up. I can understand that as a fair position to take, fair to himself and fair to his successors and fair to the future Federal Government of which he now speaks with bated

breath because of the threats of the House of Commons to which I shall refer very soon.

Now, Sir, take again the question of the excise duties. I have a feeling that in this Budget the Honourable the Finance Member has queered the whole pitch of the future Federal Government. I have a feeling that, while we at one time thought that the Federation was in the offing very soon and the Reserve Bank Bill was passed on the basis that it would come into existence very soon, this Budget has put off the date of the Federation more than anything else has done. I was a member of the Federal Finance Committee and I know the discussions that took place between the British Indian delegates and the States representatives, and, if there is one impression clearly, unmistakably and indelibly fixed on my mind, it is the impression that the States representatives refused to enter into a Federation unless they were perfectly satisfied that they would be entering a Federation whose Budget was already well balanced. The Honourable the Finance Member, by raiding—I use that word again—not merely the Sinking Fund or the Debt Redemption Fund but by raiding and mortgaging the future reserves which were allotted to the Federation to which my Honourable friend, Mr. B. Das, has referred, and by levying excise duties which were specifically set apart for the Federation when it started functioning, has made it very difficult for me to foresee when that Federation will come into existence at all. He has levied an excise duty on matches; he has levied an excise duty on tobacco; he has levied an excise duty on sugar. In connection with these duties, I can understand the Honourable the Finance Member's position theoretically, so far as the proposals of the Federal Finance Committee or of the Federation are concerned. We came to the conclusion that at any time, owing to a protective duty, the Finance Member for the time being would be justified in levying, what I might call, a countervailing excise duty, and the loss to the revenues which was suffered on account of high protection can and must be made good by a countervailing excise duty. I have no quarrel at all with that principle. But I do have a quarrel with this fact that even that duty was looked upon as a future Federal duty, in fact all excise duties were looked upon as the future Federal duties and the Honourable the Finance Member has cornered that duty also. What is left for the Federation to develop in the future I am unable to understand. What are the new taxes? We spent days and months and approached different phases of the question through all possible committees and with all the help of the India Office, and the Federal Finance Committee have devised ways and means for the future Federation and have given new sources of revenue and the only sources of revenue that were thought of were some of these excise duties which the Honourable the Finance Member has levied now. In spite of levying these duties, he has been unable to balance his budget, for I do call this Budget, not a balanced Budget, but a deficit Budget.

Now, I come to the question of Bengal. Let me say at once that not only do I not grudge the relief that has been given to Bengal, but I welcome that relief to Bengal. If my Honourable friend, Mr. Ghuznavi, thinks or if the extremism of his advocacy for Bengal should make him suspect all the criticisms advanced against this proposal, then, all I can say is that he is doing an injustice to himself and less than justice to his Province. The point of view of some of us was that if this remission should be given to Bengal at any time, it should come as part of the full Federal Financial scheme, so that the sort of wrangles that we have heard in this House during the last two days, the conflicts between one Province and another

[Diwan Bahadur A. Ramaswami Mudaliar.]

and the claims put forward by Bombay on the one hand and by Orissa on the other and by the Punjab on the third, all these might disappear when Honourable Members and the country realise that this is part of a scheme of Federal Finance, which, as my Honourable friend, Mr. Joshi, has rightly pointed out, has not been evolved by the Government of India, but which has been evolved by some arbitral power, by a third party and by an outside authority. That was the burden of our complaint, not that Bengal has got an advantage which she does not deserve.

Let me refer to only one other point which is perhaps outside the scheme of the Budget, but I feel I must refer to it as some portions of the speech of the Honourable the Finance Member have given me an opportunity of referring to it. The Honourable the Finance Member in paragraph 35 of his Budget speech says:

"In the second place, the proposal to hand over at least half the jute export duty to Bengal and to other jute producing Provinces is included in the White Paper plan and this affords us some basis for our present proposal."

Here I must stop and say that the Honourable the Finance Member has also suggested that he must satisfy himself and the Government of India must satisfy themselves "that the Bengal Government and the Bengal Legislature are doing all that is possible to help themselves". I ask the Honourable the Finance Member to tell this House, to take this House into his confidence and tell us how he has satisfied himself that the Bengal Council and the Bengal Government are doing all that they can possibly do and see that their resources are fully exploited. This is a condition very easily suggested, but I venture very humbly to suggest that not even with all his industry and not even with all his desire to go into these questions, will the Honourable the Finance Member be able to check the expenditure of the Government of Bengal or to examine all the reasons why the Government of Bengal, and, particularly, the Bengal Legislature, has not exploited all its resources.

Now, I come to the point that I wish specifically to refer to, though it is partly outside the Budget. The Honourable the Finance Member says:

"I must again make it quite clear that the whole of these proposals must be regarded as purely of a provisional nature to deal with the immediate situation and as in no way creating a permanent arrangement which could be regarded as anticipating the final decision of Parliament in this matter."

This is not the first occasion that the Honourable the Finance Member has guarded himself by saying that he should not be understood as anticipating the final decision of Parliament. I would not have taken serious notice of it, I would not have referred to it, but for the fact that there are some Members of the House of Commons who are constantly making attacks against their own Consuls in this country, against the Governors and Viceroys for whispering a word here or a word there about the future coming Constitution. I have seen references in the House of Commons by Members who ought to know better if I may say so by the die-hard group attacking Governors and Viceroys, because they venture to say that in the future Federal Government, India may have this or that right or that the Indian people will have this responsibility or that responsibility. I do not know what we have come to in this country, when no Governor and no Viceroy can make a speech without being taken to task by some body or other in the House of Commons, and especially when a Governor or a Viceroy or some responsible Finance Member of the Government of

India makes this statement on the authority of the declared intentions and purpose of His Majesty's Government themselves and is not making those statements of his own accord, I wish to enter a very emphatic protest against this attitude on the part of some of the Members of the House of Commons. There is one thing in this country which is much more important than even financial equilibrium and those who know the administration of the country realise that respect for constituted authority is one of the gravest problems in all countries in this world today (Hear, hear), and now that so many countries are involved in unrest and that the constitutions of the various countries are in the melting pot, those who are at the helm of affairs must see that they do not utter anything which will in any way throw obstacles in the way of that respect for constituted authority being kept up. This is the time when young men, coming out of schools and colleges and unable to get a living and unable to make both ends meet, are trying to preach against all constituted authority as being an evil in itself. This is the time in this country when young ladies in their gilded salons talk of socialism and communism. Is this the time when the die-hard section of the British Parliament should do everything in their power, day in and day out, by questions and by motions to put all obstacles that they can place—even though their anxiety to whittle down the White Paper or even to deny a constitution for India may be taken for granted,—is this the time that they should ridicule their Consuls and pro-Consuls who are sent out by the British Government to this country,—is this the time to make their position intolerable and to lower them in the esteem in which they are held by the people of this country? For, let me say quite clearly that if these attempts go on unchecked, if these sorts of attacks are indulged in more and more, it is not I, it is not the agitator, it is not the man who practises civil disobedience who will bring your Government into contempt, it is not the newspaper man that will bring your Government into contempt, but it is the respectable and responsible Members of the British Parliament, men in high position in the conservative ranks of Great Britain, it is they that will bring the Government of India into contempt; it is they, more than anybody else, who should be proceeded against under the various sections of the Acts that have been passed by this Legislature. (Applause.) I deem it my duty to say this, because during the last few days particularly I have been seeing attacks against these great administrators who have been sent to this country. My voice may not carry far, but I hope, in some way or other, the Government of India will make the views of this House felt on this matter and they will communicate to His Majesty's Government that those who are attacking the Governors and Viceroys in this country in this manner are doing no good to this country, certainly no good to themselves, and the sooner they stop these attacks, the better. Let it be remembered that those gentlemen who are attacked follow a dual policy with the permission and the authority of the Government in England. If the Officers here are to follow a dual policy, it means, on the one hand they should put down all revolutionary movements, and, on the other, they should encourage all ideas of reform. Now that one policy has succeeded, the country thinks that the people are taking advantage of it and those people who are now giving room for that suspicion, are the people who will justify the name "Perfidious Albion" which has resounded in history, decade after decade and in country after country. (Interruption.) It is difficult to follow the intricacies of the mind of my Honourable friend, electrical as it is on so many occasions.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up.

Diwan Bahadur A. Ramaswami Mudaliar: Well, Sir, I will conclude by saying that while I do not have serious objections to some of the proposals of the Honourable the Finance Member, I must say that this Budget is not a balanced Budget, and that I feel grave apprehensions as to its repercussions on the future Budgets, particularly when and if the Federation ever comes into existence.

Mr. A. H. Ghuznavi: Sir, let me pay my humble tribute to my Honourable friend, Sir George Schuster, for his achievements which are by no means inconsiderable. His term of office has been a period of stress and strain, and he has shown conspicuous ability in grappling with the complex financial problems and steering India's finances safely through rocks and shoals. I am sure, Sir, his name will go down in history.

Sir, we the Members from Bengal are grateful to him, for he is the first Finance Member of the Government of India to recognise Bengal's legitimate claim to the jute duty. It is very gratifying that Bengal has at last received some tangible recognition of her just dues. Sir, all this morning we have been hearing many fighting speeches.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

The successor of the Baronet of Bombay made a very great noise this morning about Bengal getting back her jute duty from the excise duty which the Honourable the Finance Member is imposing on matches. He has forgotten that Bengal has never come here with a beggar's bowl, nor does she want any grant or any subvention. Bengal claims that her jute duty is hers and that the Government of India have been usurping her revenue and her money. Sir, what is the history of this jute tax? In 1916, this was imposed purely as a war measure. The Bengal Government protested, but they were told that this duty would be withdrawn after the war was over. But it gave such a huge sum to the Central Government that up to now not a single Finance Member wanted to give up what was due to Bengal. What is the position? Ever since that duty was imposed in 1916, no less than 60 crores of rupees have come to the Government of India. The whole of that amount was due to Bengal and not to the Government of India to feed these inefficient orphans of Bombay. (Laughter.) Sir, my Honourable friend, Sir Cowasji Jehangir, said sarcastically this morning that this was a Bengal Budget. It was a cheap sarcasm. But the trouble of the Government of India commenced with the removal of the Capital from Bengal to this Imperial City. When Lord Hardinge was leaving the Calcutta Government House for the last time, the great building was struck with lightning. Bad omen started, and what was the result after that? We were having here in this Imperial City, year in and year out, ominous Bombay Budgets. Even this year it is a Bombay Budget. Look at the tariff that they have raised,—50 per cent. to subsidise the inefficient orphans of Bombay at the cost of the consumers who want a loin cloth. The whole of India must pay more to Bombay, because they are the spoilt children of the Government of India.

My Honourable friend, Mr. Mudaliar, just now remarked: "Why do you want to give this now to Bengal? Let there be a Federal Government and an adjustment will then be made according to the Federal Committee's report. Then Bengal may make that claim. Why are you giving it to Bengal now? By doing that, by imposing an excise duty on matches, I see something very terrible and that is that the Federation is at a distance and not nearer." It is not the Federal Government, it is the Government of India who have realised now the justice of Bengal's claim. They were convinced, by the way we pressed the British Government, of our legitimate claim, and it is this that induced them to give this duty back to us, at least a portion, if not the whole which they could not afford to give. Sir, it is not an adjustment of the Meston Award; it is not that they are giving us relief so far as the Meston Committee's award goes. It is purely a war measure which they introduced, and they kept on taking away the money from us. Up to now they never thought of giving us this money in spite of our asking them year in and year out. It is the first time they have realised that we have established our claim and have given it back to us.

My Honourable friend, Sir Cowasji Jehangir, said: "You don't know anything at all. Didn't we make our claim? We also made our claim in London. Why do you show your ignorance here?" But he himself was showing his colossal ignorance, and it is this. What was mentioned there? It was the allocation of income-tax to Bombay and Bengal. What I said was that, so far as the jute tax of Bengal was concerned, from the very beginning of the First Round Table Conference the Bengal delegates protested by putting in memorandum after memorandum and arguing day in and day out till in the Third Round Table Conference they found that the Government had accepted the position; and this is the unanimous report of the Federal Committee on that subject and of which my Honourable friend was also a member:

"In the case of Bengal we recognise that the difficulties arising from the present distribution of resources are exceptional, and we suggest that they might perhaps be met by according to the Province some share in the revenue from jute... The delegates from Bengal, however, view this suggestion with strong disfavour."

That is, they wanted to impose an excise duty and withdraw the export duty on hessian and unfinished goods, which we opposed. We said we wanted the whole of the export duty:

"They consider that the deficit position of Bengal should properly be remedied out of the export duty on jute which is practically a monopoly of the Province.

In their view, the whole proceeds of that duty should be allotted to the Province, though, for the period of a number of years defined above, half the proceeds might be given to the Federal Government."

There is the Government proposal in the White Paper on page 73 (clause 137):

"The Federal Legislature will be empowered to assign to provinces and States in accordance with such scheme of distribution as it may determine the whole or any part of the net revenues derived from any one or more of the sources specified in the margin. (i.e., salt, federal excise and export duties.) In the case, however, of export duties on jute or jute products, the assignment to the producing units will be compulsory and will amount to at least 50 per cent of the net revenue from the duty."

[Mr. A. H. Ghuznavi.]

The Joint Memorandum, which we submitted in November, 1933, and which has been accepted by the signatories to it, says:

"The White Paper proposal is that Bengal should receive half the proceeds of the export duty on jute."—"I did not here elaborate the arguments which I had urged on previous occasions that in view of the economic situation in Bengal the entire proceeds of the tax should be assigned to the province on grounds of equity . . ."

An Honourable Member: Who said this?

Mr. A. H. Ghuznavi: I said so, but it was accepted by the signatories and it was embodied in the Joint Memorandum. I said:

"While I have no objection to the retention by the Federal Government of a portion of the proceeds for a limited period, the allocation of revenue under this new constitution should definitely recognise this as a provincial tax. We want this to be recognised as a provincial tax not a federal tax, to be ultimately assigned completely to the province concerned."

I will not take up more time, because I have not much time left. But I will say this, that we are not satisfied with half. The whole amount of the jute duty belongs to us. The Government of India have got no money. Therefore, they want to put an excise duty on matches, and on this and that. We have no concern with that. We want our money and they cannot balance their Budget unless they put an excise duty on matches. This excise duty on matches has been recommended by Sir Walter Layton as I can show from that book. Therefore, it is not that we came here with a beggar's bowl, and the Punjab and Bombay very kindly said "All right; we will give you alms; you take half this duty". It is our money; and as a matter of right; we demand that the money should be returned to us. You have been robbing us all these years.

I said just now that my Honourable friend, the Finance Member's name will go down in history, and I will give my reasons for saying so. He is the first Finance Member who has reduced interest on our public debts—a great achievement. If I may say so, he is the first Finance Member who has reduced the military expenditure, for which this Assembly and all India will be very grateful to him; the reduction is not very small; it is to the tune of 11 crores of rupees. Then, he is the first Finance Member who has introduced the policy of raising a high tariff wall against the importation of sugar, which has established the Indian sugar industry on a firm footing; and it is hoped India will be in a position to supply her requirements of white sugar in full by 1935.

But there is one regret in our minds; and that is that, in spite of our endeavours, we have not been able to make him put an embargo on gold. It is during his term of office that India has been denuded of her gold and no amount of our appeal touched his heart so as to put a stop to this denudation; of course he may have his own views in that matter which do not fall in with our views.

With very great interest we have read his economic plans, and from those few pages of his speech where he deals with economic proposals—pages 36 to 46—we find that so far the Government had no settled policy of constructive economic planning. Their object has principally been to balance the Budget, subordinating at times the economic interests of India to those of England. The War caught the Government of

India napping. The advent of economic depression found the Government of India unprepared to meet it with a definite and comprehensive economic policy. It is, however, never too late to profit by experience. It is gratifying to find that under the lead of the Finance Member changes in Government organisation have already been introduced with a view to facilitating this. In addition, Government are calling a Conference and are also having an expert to study the export market. The policy to be followed should be the development of a larger market for the benefit of the Indian agriculture and industries in the first instance, and, then, to the extent that India will be unable to feed that market, the benefit is to go by arrangement of a quota system in favour of England and other parts of the British Commonwealth. But, Sir, as regards raising the standard of living in India, we are not prepared to accept the British Trade Union policy. . . .

Mr. N. M. Joshi: What are you prepared to accept?

Mr. A. H. Ghuznavi: . . . whose exorbitant claims on behalf of the British labour have raised the cost of production in England to such an extent as to make British products unsaleable in the world market. I sincerely hope, Sir, that the Honourable the Finance Member will be able, before his retirement, to do something substantial for the people of India who are on the verge of starvation in a country for which nature has done so much and man so little. I sincerely wish my Honourable friend good health and a contented life. All the rest will follow for an intelligent and active man.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, we have been listening these two days to various speeches on inter-provincial matters, and some of our friends called this Budget as a Bengal Budget, others described it as a Bombay Budget, and rivalry between Bombay and Bengal has been so fierce as to who could shout the loudest. I am, Sir, in no mood to take part in this internecine and somewhat acrimonious controversy. All that I wish to say is that this Budget is neither a Bengal Budget nor a Bombay Budget; but it is a distress Budget, the like of which we had not seen for several years. If you were to look somewhat closely into this Budget, you will find that the Honourable the Finance Member has the disheartening spectacle of finding that those taxes, which he prophesied would bring in revenue, are all on the point of showing a deficit. This was made clear when he referred to the yield of the customs revenue which was down by over four crores, to the yield from income-tax which was still down, to the yield from other sources of revenue which were showing losses, and the problem before him was how to balance this Budget. Sir, balancing a Budget has somehow become a juggler's trick. It may sometimes conceal the real difficulties. The Budget has in a way been balanced, if I may say so, by accidents, windfalls and by plans.

Now, Sir, one might as well examine some of these windfalls and accidents and then come to the plans. It is very lucky indeed that in a time of exceptional difficulty, through which we are supposed to have passed, these windfalls have come. One of these windfalls was the award of the Capitulation Tribunal. They gave us a very welcome sum of one crore and seventy-eight lakhs, but, as has been pointed out, this is not the last word on the subject. Our demand was more, we expected a good deal more, but the award that has been given to us has not come up to our expectations. But the subject of this award takes one to the subject of the Army,

[Mr. Jagan Nath Aggarwal.]

and there one finds that although the figures have come down to 44 crores in a time of exceptional difficulty like this, one cannot help feeling that there are forces which even the Finance Member cannot control, which almost tie him down to fixed programmes, with the result that he cannot embark on a bold policy of reduction or retrenchment.

This morning I was pained, as my friend, Diwan Bahadur Mudaliar, was pained, to read a remark in an English paper, a Conservative Member writing to the *Morning Post* that, whereas England is making a present of a crore and 78 lakhs under the award of the Capitation Tribunal, the Government of India, most ungrateful of all Governments, were retrenching 500 military officers. Sir, a member of the English public who would read this remark would think that this Government are very ungrateful and this Government are most undeserving of any award. But, Sir, the response came from a very unexpected quarter, from the *Statesman* itself. The two things have nothing in common, one has nothing to do with the other, because the point is, as has been pointed out already, these 500 men had to go, because ordinarily they would have gone at the end of the War, but the India Office gave them these longer Commissions. Well, the time must come when they must go, and so when their time came, they were sent away as a measure of retrenchment, it was a measure recommended by the Commander-in-Chief. Whatever it may be, I merely wanted to point out that, as my learned friend, the Leader of the Independent Party, said, there are times when things cannot be done by the Finance Member, much as he would like to do them, but he is held responsible and sometimes castigated in quarters least expected, not for what he has not done, but for what he has done.

Now, Sir, this accident of the award of the Capitation Tribunal is not a matter which will give satisfaction to all parts of the House or to the country, but, having gone to an arbitration award, we have taken it. But what I want to know in that connection is, what is the attitude of our Government, what claim did they put forward? Did they act as a national Government in putting forward the claim of India before an arbiter? On that point light has not been thrown. Anyway, Sir, coming to the subject of the Army, one might almost say that there has been neither retrenchment commensurate with the necessities of the situation, nor has there been any drastic policy pursued, but still that is the kind of language used by people. That is one of the accidents of that windfall.

I will now refer to the other accident which was mentioned by my friend, Mr. Joshi, I mean the repayment of the loan of the Persian Government or, I might say, that biggest of all accidents, the export of gold. Now, Sir, this Budget has been discussed from various points of view from all parts of the House, but much attention has not been focussed on the question of the export of gold. The Honourable Member opposite is happy that India is sending out gold much to the relief of England, and England is giving out silver from some concealed reserves to the relief of European countries and particularly to the relief of England. The point which some of us would like to put forward in this connection is, if gold is leaving this country, then the leaving of gold is supposed to be a financial proposition. Why are all the other countries sticking to gold? One is reminded here of the French farmer who said "I have got one Louis and my wife has got leather, and between us we are not going to leave both the things".

What is the advantage in other countries sticking to gold? Time has shown that this economic fallacy has come to stay. If all countries are sticking to gold, why is the Finance Member of the Government of India not prepared to look into the question? I ask, Sir, is it not time that the Honourable Member put a tax on the export of gold? If this gold export is good for this country, then it should be good for everybody. America is sitting tight on gold, France would not look at the question of export of gold, other countries don't want to part with their gold. If that is the case in all countries, why one almost ask in despair, why is it that our Finance Member is anxious to export all our gold, why is it that he is not prepared to put an export tax on gold? That would have balanced the Budget, that drastic step would have immediately balanced the Budget. Why has he not done so, one might almost ask in despair? The answer is, that outside interest does not allow him to take that step. If he had put an export duty on gold, then there would have been absolutely no necessity to put a tax on articles generally consumed by the poor like sugar and matches. Now, Sir, the Finance Member is not a stranger to this taxation on gold and silver. The import of silver into this country was taxed at a time when we were told that the Government of India had enough silver. We want a protective barrier; I am not much alarmed by that small tax on silver. If the tax is lowered, more silver might come in, but what is the use of any silver coming in when you are selling away your gold? There is no money to buy the silver.

Apart from these matters, one is driven to the question, what is the financial situation of the people of this country which the Finance Member had in view before he started these taxation proposals. If one were to look at it from the point of view of agriculture, the staple industry of this country, by which most of us live, one finds that the index of prices has gone down steadily, so that we find, except in the case of tea, the price index is practically half of what it was in 1914. With your indulgence, let me refer for a minute to it to illustrate the condition of misery of the people of this country.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

At page 6 of this review of certain main items of foreign trade during the calendar year 1933, you will notice, rice with an index figure of 100 in July, 1914, in September, 1929, had 124. It naturally goes down till we find it is 74 in December, 1933, which is practically half of what it was in 1929. With regard to wheat, the decline is still greater,—135 in September, 1929, and 73 in December, 1933. As regards the rest, take jute raw, it was 90 in September, 1929 and 38 in December, 1933. Cotton raw, 146 in September, 1929, and 68 in December, 1933. Hides and skins, 109 and 62; similarly with regard to other items. The only exception is tea, it was 129 in September, 1929, and 130 in December, 1933. If the index of prices has gone down so low and the commodity prices have fallen so low, one would like to know how it is that a country that lives mostly on agriculture and the income of whose people has gone down so low,—how are you going to raise revenue to balance your Budget? Where is the advantage in balancing your Budget when misery and depression are practically ruining the life of the people? From that point of view, you might almost see, looking at one of these articles of trade—not that I wish to refer to this article of trade to stress the claim of my Province, but I look at it as one

[Mr. Jagan Nath Aggarwal.]

of the principal articles of export—wheat—at page 34 of this memorandum we find:

“The exports of wheat from British India during 1933 showed a further reduction and amounted to 2,000 tons only, as compared with 2,800 tons in 1932 and 194,000 tons in 1930. Imports of foreign wheat during the year amounted to 52,000 tons.”

I put it as a practical proposition for consideration that export of wheat to the tune of 2,000 tons practically means a cessation of export of this commodity. The House can imagine that the situation of the agriculturist, whose staple industry is agriculture and who grows wheat and labours for half the agricultural year, should be so pitiable that it is fit and proper that you should either find a market for his product or raise the price level of the agricultural produce. So far as that subject is concerned, we find no consolation. In the tables that have been supplied to us, we find from the calculation that is made of the income, something like Rs. 30 lakhs is the value of the produce that has gone down in the Province of the Punjab. I wish to put it that, so far as the value of those crops and other things that we grow is concerned, there has been a huge fall. We have not discovered, except in very small cases under the Ottawa or other Agreement or other fortuitous circumstances, like linseed, tea, etc., any very great recovery, so to say, for the sale of our agricultural products, nor have we discovered any new market. If that is so, the great bulk of our people are still suffering from chronic poverty.

So far as the planned campaign of recovery is concerned, we find that two or three industries have been chosen for taxation by way of excise duty. A system of countervailing excise duties is obnoxious to my Honourable friend, Mr. B. Das, as he fears that this is anticipating Federation. It is obnoxious to my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, as it is postponement of Federation. But my objection to such a system is when agriculture is a bad way, in a time of depression here are two industries, so to say, which are looking up, and they will be hit hard, and we cannot be looking on this imposition with a philosophical air. The position with regard to the sugar industry is this. In 1932, you granted them protection of a fairly assured type up to the year 1938, and, in a way, up to 1942. You raised a huge tariff wall, and the response from this country was instantaneous; it was a remarkable response. No other industry has grown up in such a short time, a matter on which the Finance Member and his colleagues may well congratulate themselves, that by a stroke of the pen they were able to bring an industry into being at a time of supreme depression. It is fortunate that the importation of machinery gave us a very welcome return into the coffers of the State, although a tax on machinery was so obnoxious to this House, and all the money that was spent on the importation of sugar was distributed in this country. I do not agree with those people who say that the agriculturist has not been benefited by it. This sugar industry is not in any way antagonistic to the industry of agriculture. I feel that the two are bound up together. A number of factories are closing down, because they cannot get enough sugar cane, but if you are running against an economic loss, you would fail in your endeavour. When the demand for sugar cane is so great, the agriculturist is getting good value for his crop at a time when he needs money very sorely. If you are going to take away Rs. 1.47 lakhs from these sugar factories, I understand there are not more than 50 factories

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must now conclude.

Mr. Jagan Nath Aggarwal: If the incidence of tax is raised from one lakh to two lakhs for each factory, not merely would it eat up the profits, but it would eat up the capital also.

Now, Sir, with regard to the match making industry, it is very well known that a foreign capitalist has come here and captured this industry which has grown up in this country owing to some tariff that we have been able to impose. When this match industry is growing up within the tariff wall of our country, the imposition of a tax of the magnitude that we have imposed appears to be almost staggering. Matches used to sell for half a pice; two for a pice used to be the rate. With the tax, the price of each will be not less than two pice. That is staggering. That is the way in which the proposals in the Budget eat into some of our nascent industries. Of course one must realise that the times are exceptional and one cannot withhold one's meed of praise from the Honourable the Finance Member who has had to frame his proposals in a period of exceptional difficulty, and one cannot part from the subject without regret that Sir George Schuster, who was here at this time of exceptional difficulty and put on these various taxes, did not remain long enough to see how these taxes worked. We can only wish him a happy time and hope that he will be able to look back with some satisfaction that we have turned the corner in our financial affairs.

The Honourable Sir George Schuster: Sir, at the outset I would like to express my gratitude to all those Members who have made very kind and very appreciative personal remarks about myself. Sir, I hope there will be other occasions where we will be able to dwell more on these purely personal aspects, and, therefore, I say no more upon that now, but I should not like to allow that matter to pass without some mention, because I do wish Honourable Members to realise how very gratefully I appreciate what they have said.

Now, Sir, this Budget has been described as a Bengal Budget. I would prefer myself to describe it as a realistic Budget, and, I think, as a result of its realistic features we have had on the whole a very realistic discussion, perhaps more than usually realistic. And, if, as part of that realism, there has been some difference of opinion between Honourable Members from different parts of India, I do hope that there is no Honourable Member who thinks that we have deliberately put forward proposals of that kind in the hope of arousing internal dissension among the Indian Members of this House. We had to face realities, and there is no way of facing those realities except by putting forward proposals something on the lines that I have done. Now, Sir, much has been touched upon in these debates, and, as usual, I shall be unable to deal with all the points. I must, therefore, select some of the more important issues for very brief discussion. In the first place, I should like to express my appreciation to those Honourable Members who, either in their speeches today or in communications to the Press, have answered some of the very unfair criticisms of our proposals for help to the stricken areas of Bihar. I am sure that those Honourable Members will appreciate that, when we have done our utmost to deal urgently with an urgent crisis, and generously with difficulties which require generous treatment, but at the same time to take account of the fact that we are dealing not with our own money, but with

[Sir George Schuster.]

public money, that, when we have taken all those steps, then to have our proposals criticised by those who can command public attention in the Press as "pitiful", I do think that Honourable Members will appreciate that that sort of attitude is not the way to encourage generous action either on the part of the Government or on the part of any section of the public of India.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non Muham-madan): We are grateful to the Government of India.

The Honourable Sir George Schuster: I am particularly glad that some of the Honourable Members, who are most interested in these proposals, have gone out of their way to give the public a better understanding of them and to express their own appreciation. Therefore, I need say no more on that subject again.

Then, Sir, if I go back to the beginning of this debate, the first speech came from my Honourable friend, Mr. Ranga Iyer, who, I am very glad to see, has been able at this last moment to return and to listen to this debate. Sir, my Honourable friend was, if I may say so, in extremely good form. In spite of the fact that he was speaking against his doctor's orders, that well known resonant voice, those stinging terms and that rolling eye made me for the first few moments quail and almost shrink for protection along the bench behind the ample form of my Honourable colleague, the Member for Industries and Labour. (Laughter.)

The Honourable Sir Frank Noyce (Member for Industries and Labour): May I remind my Honourable colleague of an American saying "There is a destiny that ends our shapes"? (Laughter.)

The Honourable Sir George Schuster: But, Sir, as my Honourable friend proceeded with his argument, I felt that perhaps my fears were unfounded. I found him gradually getting himself into a position which seemed to me to be extraordinarily easy to attack. My Honourable friend said that we were taxing production, that we were taxing food and that we were treating the cultivators unfairly. Now, Sir, our whole case for the sugar excise is based on our belief that, even after the imposition of this excise, it will be possible for the manufacturers of white sugar to pay a fair price for their cane, to make a fair profit for themselves, and to sell their sugar at a fair price to the consumer. We take our stand on that belief and it is on those propositions that the case must be argued. But my Honourable friend went further and said that I in my Budget speech had expressed fears of the over-production of sugar and the fear that the rush in the establishment of factories might go so far that it might re-act on this country and particularly on the interests of the cultivators. My Honourable friend said "Why should there be that fear of over production? The whole of the British Empire is open to us for the sale of our sugar". Sir, the whole of the British Empire is certainly open to India for the sale of her sugar, but if India wishes to come into that market, she will have to sell at competitive world prices, and at present she can only produce sugar in competition with Java under the protection of an import duty which, even after our proposals have been introduced, will be considerably over 200 per cent *ad valorem*. Therefore, Indian sugar costs to produce something like three times as much as Java

sugar, and, until the cost of production can be reduced, India can hardly hope to find an export market. My Honourable friend said: "Well, if that is the position, why do you make it worse by increasing the cost of production by imposing an excise duty?" But I would remind my Honourable friend that in this case, as in all those where we have had an excise duty, we shall be including provisions which will of course allow for a rebate of the full excise duty on everything which is exported. That, Sir, is the position, and, I think, that is all I need say on that matter at the moment.

Then, the next important point about which a great deal has been said is the question of our proposal for Bengal,—and that has been approached from two points of view,—the point of view of those who think that we should not propose any special assistance to a particular Province, and, again, the point of view of those who see in our proposals some anticipation of a scheme of Federal finance and, in the words of my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, the "queering of the pitch for the future Federal Government". Now, there are certain misconceptions which I must clear up. I noticed in the papers this morning that a Minister of the Bombay Government, I think it was, had rather wittily said: "God helps those who help themselves, but the Government of India helps those who don't." (Laughter.) Well, Sir, if that were the condition of this world, we should all get along very well, because there will be somebody to help everybody. (Laughter.) Then, my Honourable friend, Mr. Mody, in his very delightful speech, issued a warning to all Provinces. He said: "From now onwards, let all Provinces take a warning and let them not follow the sound example of the Presidency of Bombay. That Presidency has learnt by bitter experience that a Government which puts its own house in order will get no help from the Government of India". Now, Sir, both those statements, humorous as they are, are based on complete misconceptions. If we thought that our proposal was to be interpreted as one which implied our coming to the assistance of a Government which had not taken all possible steps to help itself, then I freely admit that it would be an exceedingly dangerous proposal. But the position is this, and I want the House to be very clear about this, because this is the issue which is before the House. We, as the Government of India, having given a very careful consideration to the position, had come to the conclusion that the position of the Government of Bengal was such that it could not be expected, by its own efforts, to be able to restore financial equilibrium. That is the whole basis of our proposal; and we feel that, in their position, the Government of Bengal is in a special position, and that there is no Province in India today which is in a comparable position. (Hear, hear.) Now, that being our conclusion, the position was this. The Government of Bengal was incurring deficits at the rate of almost two crores a year. They were piling up a debt which, as I said in my Budget speech, would soon have reached unmanageable figures. Our position as the banker of that Government must have been this. We ought to have said to them, either: "We cannot go on advancing you money to meet your deficits, you must put your house in order", or "We must recognize the fact that you yourself are unable to put your house in order, and, therefore, we must try and devise some means to help you". We felt that in any case the position, as it was, could not be allowed to continue: and as we had been convinced that they were unable to restore their own position in present conditions, we felt that the time had come when we must put forward some proposal

[Sir George Schuster.]

which would enable us to bring it within the bounds of possibility that they could help themselves to fill up the remainder of the gap. And that is the scheme which we have proposed. It is not, therefore, a question of our having said: "Here is a chance of getting a little extra revenue this year. We will chuck out a matter of 1,89 lakhs to various Provinces. Next year if we can get a little more, we will toss again and chuck out another 50 lakhs or 60 lakhs to somebody else." That is not the position. We feel that this is all that Government in present conditions can do, and no Province should entertain the hope that there are other schemes up our sleeves which will enable us to answer to an appeal *ad misericordiam* and come forward with further help in the future. Then, my Honourable friend, Mr. Ramaswami Mudaliar, speaking with great emphasis, accused me in these proposals of having "queered the pitch" for a future Federal Government. Now, I find it entirely impossible to follow my Honourable friend's mind in this matter. If there is anything which is going to queer the pitch of the future Federal Government, it is going to be financial difficulties, and nothing that I do this year is going to affect the future development of India in the sense that it might increase the difficulties of the Federal Government. If we in the present Government of India and under the present Constitution raise a particular tax this year which has been looked forward to as one of the sources of revenue for a future Federal Government, that does not mean that that tax is taken away from the power of the Federal Government of the future. On the contrary, the fact that we, by our advance action, will have prepared the way and got through the initial period of difficulty involved in trying out these taxes,—that we shall have introduced this particular form of taxation as a well-understood piece of machinery in the public finance of the country by the time that the Federal Government comes into existence, is surely a great advantage to the Federal Government. It is quite true that, by introducing this proposal now, I shall have robbed the Federal Finance Minister of the future of the kudos of being the first to introduce a match excise duty or a sugar excise duty. But, I do not think that my successor in that position in the future will be likely to look back with great disfavour on me for having relieved him of a very unpopular duty. Surely, it is much better for us to strengthen the position now: and if the position is this, that if we do not take this action now, the Government of Bengal must go on piling up deficits at the rate of something like two crores a year, and that two or three years hence, when the Federal Government is started, there will be that great accumulated deficit to deal with, surely that is the sort of thing which is going to queer the pitch of the Federal Government, and on the other hand, the sooner we get these measures going, and get the revenue going, in order to avoid those deficits growing, the better, and that surely must be better for the Federal Government of the future. Therefore, I find it quite impossible to follow my Honourable friend's mind in this matter.

Now, Sir, we have had these comparisons between one Province and another, and a great deal has been said on behalf of Bombay. I would like—and I am very glad of the opportunity—I would like to take this opportunity of expressing my own very great admiration for the way in which the Government of Bombay have in recent years tackled their financial difficulties and particularly for the way in which the late Governor, Sir Frederick Sykes, has tackled that problem. Bombay has

set an example to other Provinces. They had extreme difficulties; their critics may say that their standard of expenditure was too high and that their difficulties were largely of their own creation; nevertheless the difficulties were there, they have resolutely faced those difficulties and they have been able to produce a balanced Budget this year. That, Sir, does credit to all concerned. Again, I should like to say that if our proposals were likely to have the result of weakening the efforts of other Provincial Governments in that direction, then that would be very unfortunate indeed. Now, Sir, arising out of that question of the position of the Government of Bombay, there has been a point raised, particularly by my Honourable friend, Mr. Mody, of the danger which exists now to the financial and economic position of Bombay owing to the competition from the ports of the Kathiawar States. That, we recognise, is a very serious matter, and my Honourable friend has made some very serious charges. He made them very deliberately and I have little doubt that he is quite satisfied in his own mind as to his power to substantiate them. (Mr. H. P. Mody: "Absolutely".) But I must say this—and I daresay it will not be unwelcome to my Honourable friend—that the charges that have been made cannot be ignored by the Government of India and they must be either substantiated or withdrawn. We shall have to consider in what way we can proceed further with the matter. I will only say at the moment that we are actually going to discuss this position with His Excellency the Governor of Bombay during the few days that he will be spending in Delhi next week. With that I must leave that particular matter.

Now, Sir, another important point on which a good deal has been said is as regards our proposals for dealing with the provision for reduction and avoidance of debt. I have been asked by several front bench speakers some very pertinent questions on that particular proposal. Both Sir Leslie Hudson and Sir Cowasji Jehangir have said: "Is it really sound? What about its effect on our credit?" And my Honourable friend, Mr. Mudaliar, I think, has gone so far as to say that, by introducing this proposal, we are really landing ourselves in a deficit Budget. Now, Sir, I dealt with that subject at some length in my Budget speech, and, therefore, I do not wish to take a great deal of the time of the House again on the subject. But, on the first question—how will it affect our credit,—one can, at any rate, give a fairly good practical answer and that is from the effect of my Budget proposals on the quotations for our sterling securities in the London market. The day before I made my Budget speech our 3½ per cent. sterling securities stood at 89½ cum-dividend, that is equivalent to about 88½ ex-dividend and, according to the prices telegraphed this morning, they stand at 91 ex-dividend, that is, they have risen by about two points and a half. Markets for gilt-edged securities have been strong, but the rise in the Government of India securities stood out among all others, and I think one may fairly put that down to the fact that the City of London interpreted our Budget proposals favourably and as a sign of strength. That, I think, is a good practical answer. If one wishes to go further into the merits of the case, one must, of course, say that in matters of this kind it is a question of judgment. Standards in these matters obviously must vary to some extent in different conditions. If my Honourable friends, who have raised this question, would care to study the budgetary practice of the various countries of the world—and it is an extremely difficult study, because every country prepares its

[Sir George Schuster.]

Budget on a different system,—they would find that there is practically no country in the world today which has not in the last three years either cut into its Sinking Fund provision or incurred budgetary deficits considerably larger than the amount which it set aside every year for the Sinking Fund. Therefore, I think, on a comparative basis, we can claim that our practice has been sounder than that of any other country of the world. In any case, we felt after most careful consideration that we were not taking undue risks in cutting down the provision this year to three crores of rupees. Honourable Members who have read or listened to my Budget speech will recollect that I anticipated one of the questions which has been put to me today by Sir Cowasji Jehangir. He said: "If this is a Divine inspiration for helping yourself out of a financial difficulty, why did it not come to you before?" I gave the answer to that. I said that up till this year we felt that the whole basis on which our revenue estimates were prepared was so uncertain and that there were so many potential adverse factors inherent in the situation—the potential loss of the sugar import duties, for example—that the maintenance of the Sinking Fund provision at its full measure was necessary primarily as a margin of safety, and I went on to say in my Budget speech that it had so proved. In fact, it has proved in the current year that we did very well to preserve that as a margin of safety in the event of our estimates being falsified. We have had to draw upon that margin, and that is really what we have done in reducing the provision to three crores this year instead of the six crores and 89 lakhs which was the full budgetary provision. Now, looking to the future, we feel that most of those potential difficulties have been faced and that our estimates are on a surer foundation than they were last year. That being the case, it seems that a smaller provision is really adequate for the situation. And I would put it to Honourable Members who ask this question that, when considering an issue of this kind, the issue really is: What is the best thing for the country? Either to reduce this provision for the redemption of debt or to impose an additional taxation. Now, there are many countries, as I mentioned in the opening passages of my Budget speech, which are acting on different lines of financial principles, which are taking the view that any attempt to raise even the full amount of your annual expenditure by taxation is a deflationary process which impedes the economic recovery of the country and that one of the ways in helping a country to recover is actually to incur budgetary deficits and adopt what amounts to a process of inflation in that way. We fundamentally disagree with those who take that view. On the other hand, one cannot push the contrary view to extremes, and at a time like the present, when we feel that our budgetary estimates are fairly safe, the idea of imposing additional taxation to raise something like four crores in order to put the provision for the reduction of debt up from three crores to seven crores is, we feel, not in the interests of the country,—in fact, that an attempt to raise that money by taxation would in the long run do more harm than good. That, Sir, was our view of the position. Now, my Honourable friend, Mr. Mudaliar, has criticised me for having made this proposal and then having deliberately guarded the future Finance Member against any commitment under this head, or against any privilege from the fact that we thought it adequate this year. That was done very deliberately. We have adopted this line, because weighing up the issues, as I have just put them, we came to the conclusion that three crores was a fair provision this year, but we are by no means satisfied that in normal conditions

that should be permanently a fair provision. I indicated various possibilities in my Budget speech but I only did so in order to put before the House the general make-up of the issues that are involved. We do not wish to commit the Government of India for the future by any permanent revision of the existing convention in connection with the present Budget. We felt that that was a matter which should be considered in due course when we saw how things were going, and I would remind my Honourable friend that if any new proposal is to be made or any new convention is to be adopted, that will come before this House to be fully considered in this House and to receive the approval of this House.

Another point that was raised, on which I can perhaps clear up some misunderstandings, is as regards war debt provisions. I was asked whether we had taken advantage of the fact that His Majesty's Government had reduced the interest on their war loans from five per cent. to 3½ per cent. We have taken advantage of that. His Majesty's Government have reduced the interest which we have to pay on the share of the war loan which is outstanding on behalf of India and they have given us a reduction from five per cent. to 3½ per cent. One Honourable Member asked why we had taken no steps to work for the cancellation of our war debt as other countries have done. Surely Honourable Members know what the position is. His Majesty's Government have given to India and to all the Dominions great concessions, they have said: "If we have not got to pay on our debt to America, we will not claim interest from you. But if we have to pay, then you will have to pay your share". That is our position. We cannot negotiate independently in that matter, for we form part of a general bargain, we form part of a general partnership.

Sir Cowasji Jehangir: May I ask whether the British Government have given a token amount to the American Government, and, if so, have they provided for the full amount in their Budget as the Honourable Member has done in the Indian Budget?

The Honourable Sir George Schuster: The Budget proposals of the Chancellor of the Exchequer are not before the country yet.

Sir Cowasji Jehangir: What did he do last year?

The Honourable Sir George Schuster: Last year, according to my recollection, the British Government made no provision. My Honourable friend, on the strength of that, criticised us for having made a provision, and I said, we thought that it was sound to do so, because we wanted to have a certain reserve margin at our disposition, and that was another of the reserves which had to be drawn upon this year. That is the position.

Sir Cowasji Jehangir: I have no objection to the reserves in which ever way the Honourable Member wishes to keep them. On the one hand, he taxes, on the other, he keeps reserves, and, on the third, he has handed over a certain amount to a Province, however legitimate and fair. I quite accept the explanation he has given, but it does seem extraordinary to have these reserves.

The Honourable Sir George Schuster: It was a margin of strength in our budgetary position. Actually we are not debiting the Budget for the current year with war debt interest payment. That is being suspended and the Budget is being relieved of 88 lakhs on that account. Next year,

[Sir George Schuster.]

as I explained in the Budget speech, we know that one half-yearly interest instalment has been suspended, and, therefore, we are only providing for half-year's interest *plus* a provision for redemption by 1952 by equated instalments of the total amount of the suspended payments. That is the position. If my Honourable friend would like to talk to me privately about it, I think I can give him full explanation why particularly this year we consider it sound that this provision should be made. I think that covers all the special points with which I wish to deal.

A good deal has been said on the question of general economic programme and on setting up an Economic Advisory Council. I understand that there will be an opportunity to deal with that matter much more fully on one of the cut motions, and, therefore, I propose to say nothing on that subject now. Nor do I propose to deal with all those controversies between rice and wheat that we have heard in the earlier debate. I notice that one Honourable Member from the Punjab is absent, but he gave us a most entertaining speech in which he dwelt on the two slogans "eat more wheat", and, as far as I understood him, he said "rice means vice". Those no doubt would be popular slogans in the Punjab, but they can hardly be accepted generally by this House. I think that is all that I need say at the present stage, and we shall have ample opportunities of dealing in the various stages of these discussions in the future with most of the issues that have been raised.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): What about gold?

The Honourable Sir George Schuster: I think we can answer all these questions in the later stages of this debate. It only remains for me to thank the House for the generally favourable reception which they have given to my Budget proposals, for the manner in which they have recognised the inherent difficulties of the situation, and for the support which, I think, they continue to give to this Government in maintaining principles of sound finance. (Applause.)

Mr. President (The Honourable Sir Shanmukham Chetty): The House would enter on the next stage of the Budget on Tuesday, the 6th March. The House is not sitting on Monday, and that is perhaps a very popular arrangement with the Honourable Members. The Chair has been told that the various Non-Official Parties have come to an agreement among themselves with regard to the order in which the Demands and the cut motions should be discussed. The Independent Party would like to initiate a discussion on Retrenchment in Defence Expenditure and Military Policy. The Democratic Party,—on Federal Finance, the Nationalist Party,—on the Re-organisation of the Public Services with special reference to the White Paper Proposals, the Centre Party,—on the Necessity to expedite the Constitutional Reforms, and the European Group,—on Planned Economy. What the Chair proposes to do is this. On Tuesday, the 6th March, after question time, the available time for the day would be equally divided between the Independent Party and the Democratic Party, the Independent Party will start the day. Wednesday will similarly be equally divided between the Nationalist Party and the Centre Party.

The Chair has been told that it is the general desire of the Non-Official Members that more time should be given, if possible, to the motion of the European Group regarding Planned Economy. The Chair, therefore, pro-

poses to allow the whole of Thursday for the discussion on that subject. If unattached Members come to any agreement among themselves, the forenoon of Friday, the 9th instant, would be available for their motions, and, thereafter, the motions will be taken in the order in which they appear on the Order Paper.

In this connection, the Chair would like to make one other observation. Non-Official Members have frequently made a complaint that during the discussion on the Budget demands, the debate becomes often unreal and very often prolonged by reason of the fact that Government Members do not intervene at an earlier stage. The Chair is inclined to agree with this complaint of the Non-Official Members, and, while, as the Chair said the other day, it must be left to the discretion of the Member in charge of a subject on the Government Benches as to the time which he should choose for intervening in this debate, the Chair would advise Government Benches to so arrange the discussion that, during the next week, one of the Government Members should intervene at an early part of the debate. (Hear, hear.) The Chair is making this suggestion, so that, if Government are so advised, they can make the necessary readjustment amongst their nominated official element before the discussion begins.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 6th March, 1934.

LEGISLATIVE ASSEMBLY.

Tuesday, 6th March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

PROPOSALS REGARDING TARIFF ARRANGEMENTS BETWEEN INDIA AND BURMA.

341. ***Mr. Gaya Prasad Singh:** (a) Will Government be pleased to state if they are aware of any proposal with regard to tariff arrangements between India and Burma in the event of Burma's separation?

(b) Is there any truth in the report that agreements for ten years or so will be entered into, by virtue of which India will not be able to impose any tariffs on imports from or exports to Burma?

The Honourable Sir Joseph Bhoré: (a) The question of tariff arrangement between India and Burma in the event of the separation of Burma is under consideration.

(b) The answer is in the negative.

Mr. M. Maswood Ahmad: Will Government give an opportunity for a discussion of this question on the floor of this House?

The Honourable Sir Joseph Bhoré: I think it will be possible to give an assurance that the views of this House will be ascertained before any final decision is taken.

Sir Cowasji Jehangir: May I ask whether a Member of Government has the right to allude to the separation of Burma since it is before the House of Commons?

The Honourable Sir Joseph Bhoré: It was a hypothetical allusion. I said, "in the event of the separation of Burma."

EX-SOLDIER CLERKS IN THE ARMY HEADQUARTERS.

342. ***Mr. S. C. Mitra:** With reference to the answer given on the 30th January, 1934, to my starred question No. 53, wherein it had been stated that, out of 600 clerks employed in the whole of the Army Headquarters, 100 were soldier and 50 lady clerks, will Government be pleased now to state the number of ex-soldier clerks at the Army Headquarters, i.e., those clerks that had first entered service at the Army Headquarters as soldier clerks and were subsequently civilianized and are now drawing civilian rates of pay?

Mr. G. R. F. Tottenham: There are 93 ex-soldier clerks now serving in the regular ministerial establishment of the Army Headquarters.

Mr. Lalchand Navalrai: Why are soldiers necessary to be employed as clerks in the Army Headquarters?

Mr. G. R. F. Tottenham: Because some military knowledge is required in connection with the work.

Mr. S. C. Mitra: Is it not possible for other people, besides actual soldiers, to acquire that knowledge?

Mr. G. R. F. Tottenham: Not entirely. A certain amount of practical military knowledge is required. The 93 clerks represent a small proportion of the total number of clerks employed.

Mr. Lalchand Navalrai: What is that kind of military knowledge which is required of a clerk?

Mr. G. R. F. Tottenham: I do not think I can enlighten the Honourable Member if he does not understand it himself. Some military knowledge is required for military work.

Mr. S. C. Mitra: Are lady clerks recruited from the standpoint of possessing military knowledge?

Mr. G. R. F. Tottenham: No, Sir. Lady clerks are recruited for their knowledge of stenography and typewriting.

Mr. B. V. Jadhav: May I know whether the military knowledge that is required of these clerks is not given in the U. T. C.?

Mr. G. R. F. Tottenham: No, Sir. The U. T. C. is not given clerical work of any kind.

CLERICAL EMPLOYMENT FOR CIVILIANS IN THE DEPARTMENTS OF THE WAR OFFICE IN ENGLAND.

343. ***Mr. S. C. Mitra:** With reference to the answer to my starred question No. 54 of the 30th January, 1934, will Government please state whether it is a fact that civilians as such are not debarred from obtaining clerical employment in the departments of the War Office in England, which corresponds to the Army Headquarters in India?

Mr. G. R. F. Tottenham: The Government of India have no information beyond the fact that the establishment consists of soldiers and ex-soldiers.

RATES OF PAY DRAWN BY THE CIVIL SERVICE CLERICAL PERSONNEL IN THE WAR OFFICE IN ENGLAND.

344. ***Mr. S. C. Mitra:** With reference to the answer to parts (a) and (b) of my starred question No. 55 of the 30th January, 1934, will Government please state the rates of pay drawn by the various grades of the

civil service clerical personnel (including lady clerks) employed in the departments of the War Office controlled by the Parliamentary and Permanent Under-Secretaries of State for War, and the Financial Secretary, and those administered by the Chief of the Imperial General Staff, Adjutant General, Quartermaster-General and Master General of the Ordnance at the War Office, London?

Mr. G. R. F. Tottenham: The Government of India have no information.

Mr. S. C. Mitra: Is it not a fact that our Military Department is merely a part and parcel of the British War Office?

Mr. G. R. F. Tottenham: No, Sir, we have an entirely separate establishment in this country.

Mr. S. C. Mitra: Then are we to take it that you have no connection with the War Office of the British Government and are a separate entity?

Mr. G. R. F. Tottenham: We are entirely separate.

SOLDIER AND LADY CLERKS IN THE ARMY HEADQUARTERS.

345. ***Mr. S. C. Mitra:** (a) With reference to the answers in connection with my starred question No. 56 of the 30th January, 1934, is it a fact that Government propose to give the desired financial effect by reducing the rates of pay of Indian clerks only, leaving the soldier and lady clerks' rates entirely untouched? If so, why?

(b) Is it the policy of Government to pay a man not according to his worth, nor according to the value of the work performed by him, but according to the race to which he belongs?

(c) Will Government please state the method of the test employed to satisfy themselves that (i) the minimum wage on which a British soldier clerk can afford to live in Simla and Delhi is Rs. 190 per mensem; (ii) the minimum wage on which an unmarried lady clerk can afford to live in Simla and Delhi is Rs. 100 per mensem; and (iii) the minimum wage on which an Indian graduate with dependents, passing out of the Public Service Commission competitive test, can afford to exist in Simla and Delhi is Rs. 60 per mensem?

(d) Will Government please state the educational qualifications of the soldier and ex-soldier clerks at present serving in the Army Headquarters, and the minimum educational qualifications which Government intend that the future soldier clerks of the Indian Army Corps of Clerks should possess?

(e) With reference to the suggestion that the soldier clerks, whose initial pay is fixed at Rs. 190, are always employed in the second division, will Government please state the minimum pay of the second division clerk's grade? Is it Rs. 190 to begin with? If not, what is it?

(f) With reference to the suggestion in the answers to questions Nos. 56 and 60 (a) (i) of the 30th January 1934, that the object underlying the scheme contained in Army Department letter No. 38166/1 (A. D. 3),

1694

LEGISLATIVE ASSEMBLY.

[6TH MARCH 1934.

dated the 16th December, 1933, in so far as it concerns the civilian personnel, is to give the latter a constitution better suited to a military organization. Will Government please state whether members of the Indian Wing:

- (i) like those of the British Wing, will be eligible for wearing military uniform while on duty;
- (ii) will be subject to the Indian Army Act;
- (iii) will be governed by the provisions in the military regulations to regulate their leave, pension, etc.; and
- (iv) will be instructed in military discipline and procedure?

If not, will Government be pleased to state how the declared purpose of the new constitution is going to be fulfilled?

(g) With reference to the suggestion that the British personnel require higher rates of pay than Indians living in their own country, will Government please state whether this consideration is confined to Army Headquarters clerical establishment alone, and not to members of the Governor-General's Council, and to those of the Indian Civil Service, holding identical posts, such as Secretaries to the Government of India? If so, why?

(h) Will Government please state whether Indian clerks serving in the High Commissioner's Office in England receive higher rates of pay than Englishmen living in their own country? If not, why not?

Mr. G. R. F. Tottenham: (a), (b) and (c). The Honourable Member has not, I think, put the position quite fairly. The point is that investigations have shown, not only on the military side but also on the civil side, that an ample supply of suitable Indian clerks can be obtained on rates of pay considerably lower than those which they now receive. In Army Headquarters however a certain proportion of clerks with military knowledge are also required and in addition a number of lady clerks. Government are satisfied by experience that an adequate supply of suitable clerks in these categories cannot be obtained on rates of pay lower than those which they now receive; and it is on these grounds that the different rates of pay have been fixed.

(d) The answer to both portions of the question is the Army first class certificate of Education.

(e) Soldier clerks on Rs. 190 are employed in both the First and Second Divisions. The minimum pay of the Second Division is Rs. 90.

(f) As I have already explained, the organisation will be divided into a military wing and a civilian wing not into a British wing and an Indian wing. The answers to the various parts of the question are:

- (i) No.
- (ii) Yes.
- (iii) and (iv). No.

The Government of India are satisfied that subjection to military discipline will secure the purpose in view.

(g) The principle is not confined to the Army Headquarters alone. An overseas allowance is paid in most services to men of non-Asiatic domicile, up to a certain salary maximum. Beyond that maximum an overseas allowance is not considered necessary.

(h) Yes. Indian clerks in the High Commissioner's Office get an overseas allowance.

Mr. Lalchand Navalrai: May I know if there have been any instances in which soldiers and lady clerks could not be secured on the same pay that the Indian clerks get?

Mr. G. R. F. Tottenham: Yes, Sir. We have gone into this question very carefully, and we have found that we cannot get soldier clerks to come on the lowest rates of pay for which Indian clerks are prepared to come.

Mr. S. C. Mitra: Is it the policy of the Government of India to recruit their officers and clerks at the lowest rates available in India?

Mr. G. R. F. Tottenham: For financial reasons it would surely be wrong for us to pay our employees more than we can get them for in the open market. I would suggest to the Honourable Member that we have been faced with a somewhat difficult problem in this matter. The rates of pay for clerks generally in Government service, in the Civil Secretariats and Attached Offices, have recently been considerably decreased. The rates of pay in the Army Headquarters have always been slightly less than those in the Secretariat, and the new rates of pay that we have prepared for Indian clerks in the Army Headquarters compare very favourably with the reduced rates of pay that have been given on the civil side. We are, therefore, left with the question of the soldier clerks and the lady clerks. The number of soldier clerks has been considerably reduced, but we have not been able to reduce their rates of pay. That, Sir, is really the position.

Mr. S. C. Mitra: Is it the contention of the Honourable Member that the services are recruited on a scale of pay which is the minimum for which officers and clerks are available, and the Army Department gives even lesser scales of pay?

Mr. G. R. F. Tottenham: That is scarcely correct; we cannot afford to give in the Army Headquarters higher rates of pay for Indian clerks than the Secretariat are giving on their side.

Mr. S. C. Mitra: And is it the contention that even Anglo-Indian ladies cannot be had for Rs. 90, that is, the rate that is given to Indian clerks?

Mr. G. R. F. Tottenham: It is a fact that some years ago we paid these lady clerks considerably less than Rs. 100, and the results were unsatisfactory.

Mr. S. C. Mitra: May I take it that Government are anxious to recruit some lady clerks and that they could not get these lady clerks at the pay which is offered to Indian clerks? Is that the contention?

Mr. G. R. F. Tottenham: That is, generally speaking, correct.

Mr. S. C. Mitra: What is the necessity and urgency for the Army Department to have lady clerks at a higher rate, particularly as these clerks do the same military and clerical work like other clerks?

Mr. G. R. F. Tottenham: As I have already explained before, there are certain classes of work which can in our opinion be more efficiently and better performed by ladies than by men. That is why we recruit these lady clerks. I believe it is also a fact that in the Civil Secretariats a certain number of lady clerks are employed and they too receive higher rates of pay than are given to male clerks.

Mr. S. C. Mitra: Then, may I ask the Honourable the Home Member whether the Government of India have adopted the policy of recruiting, for certain classes of work, lady clerks at a higher rate of pay, thus putting an additional burden on the Indian tax-payer?

The Honourable Sir Harry Haig: I am afraid I must ask my Honourable friend to give me notice of that question.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House what exactly he means by the distinction he made between the military wing and the civil wing of army clerks, and are these duties not interchangeable?

Mr. G. R. F. Tottenham: The military wing is that portion of the Army Headquarters which is drawn from serving soldiers. They start with a knowledge of the working of the army, and their knowledge in that respect is very useful: the rest of the work is performed by Indian clerks who pick up a knowledge of army matters in theory; but they have no practical knowledge of the working of the army.

Mr. N. M. Joshi: May I ask, if Indian ladies apply for these lady clerks' posts, they will get the same rates of pay?

Mr. G. R. F. Tottenham: Certainly.

Sir Cowasji Jehangir: May I ask what the total pay bill of these soldier clerks in India amounts to?

Mr. G. R. F. Tottenham: I must ask for notice of that question: I cannot give the information offhand.

Mr. S. C. Mitra: As regards part (h) of my question, the Honourable Member said that there was a difference in the allowances granted to Indian clerks in the High Commissioner's Office in England: has he taken care to notice that the difference is in the overseas allowance and not in the initial scale of pay?

Mr. G. R. F. Tottenham: I think the main point is that the Indians employed in the High Commissioner's Office receive greater emoluments than the others.

Mr. B. Das: Do I take it that the lady clerks employed in the Army and Civil Departments, more particularly in the Army Department, exercise a certain amount of soothing influence on the officers there, and that, therefore, there is greater efficiency in the work of those officers?

Mr. G. R. F. Tottenham: No.

Mr. M. Maswood Ahmad: Is it a fact that married girls are debarred from Government service?

Mr. G. R. F. Tottenham: That is the rule in the Army Headquarters: as soon as a lady clerk marries, she leaves her employment.

Mr. M. Maswood Ahmad: Will Government be pleased to state the reasons for employing only unmarried girls as clerks?

Mr. G. R. F. Tottenham: The reasons, I think, are obvious: that married ladies have other duties to perform.

SUPERSESSION OF INDIAN CLERKS IN THE ARMY HEADQUARTERS.

346. ***Mr. S. C. Mitra:** With reference to part (b) of my starred question No. 57 of the 30th January, 1934, will Government please state the number of cases during the last five years in which Indian clerks were superseded in the matter of promotion by soldier or ex-soldier clerks at the Army Headquarters and Government did not interfere on the ground that the very high officer in whose discretion the matter rested was in the best position to judge the relative efficiency of the various men working in his office and there was no reason whatever to believe that his choice was in any way influenced by racial considerations?

Mr. G. R. F. Tottenham: Enquiries are being made and the result will be placed on the table in due course.

RACIAL DISCRIMINATION IN THE MATTER OF EXEMPTIONS FROM EMERGENCY CUT IN PAY IN THE ARMY HEADQUARTERS.

347. ***Mr. S. C. Mitra:** Will Government please state the number and pay (of each man) of soldier and ex-soldier clerks, and the number and pay (of each man) of Indian clerks at the Army Headquarters who applied for and were either granted or refused exemptions from the emergency pay cut ever since its introduction? Was the exemption confined to the British personnel only? If so, what was the reason for that racial discrimination?

Mr. G. R. F. Tottenham: No individual was granted full exemption from the emergency cut.

In 1932-33, 17 soldier or ex-soldier clerks applied for special relief and relief varying from 30 per cent to 90 per cent was granted in 9 out of the 17 cases. In two of these 9 cases the pay was Rs. 212: in the other seven cases it was Rs. 190 per mensem. In the same year 3 Indian clerks whose pay was Rs. 250, 202 and 102 applied for special relief, but no exemption was granted.

In 1933-34, 5 soldier or ex-soldier clerks applied for renewal of the special relief granted in the previous year and exemption varying from Rs. 2 to Rs. 8 per mensem was granted to four of them while stationed in Simla only. No Indian clerks applied for relief.

All the claims for exemption were considered with reference to the adequacy of the amount left to the individual after meeting obligatory expenditure, as shown in the information supplied by the applicants themselves.

Mr. S. C. Mitra: Was there any rule passed by the Government of India that this retrenchment of ten per cent before, and five per cent now, will not apply to particular cases and was any exemption given by any Department other than the Army Department which has given concession to European soldiers?

Mr. G. R. F. Tottenham: I cannot answer on behalf of other Departments; but there was a definite provision made when the cut was imposed that specially hard cases would receive the consideration of His Excellency the Viceroy.

Mr. S. C. Mitra: I did not put the question to the Army Secretary: I asked Government whether at the time of passing these orders it was provided that the five per cent emergency cut in pay should not apply in particular cases in any Department, or whether it was only provided for the Army Department.

Mr. G. R. F. Tottenham: Discretion was given to all Departments to put up particularly hard cases for the orders of His Excellency the Viceroy.

Mr. S. C. Mitra: May I know if in any other Department any Indian was given any concession as regards the five per cent emergency cut in pay?

The Honourable Sir Harry Haig: I am told that there have been instances, but altogether there have been very few cases, I think, in which exemptions from the cut have been granted.

Mr. S. C. Mitra: May I ask the Postal Department whether, in the case of people getting below Rs. 40, any remission was granted in the cut, and, if so, in how many cases?

Mr. President (The Honourable Sir Shanmukham Chetty): This question is specifically addressed to the Army Department; and any question arising out of this with regard to any other Department, ought to be given notice of and put down as a separate question: that will be more convenient.

DUTIES OF A SPECIFIC POST IN A PARTICULAR ESTABLISHMENT OF THE ARMY HEADQUARTERS.

348. ***Mr. S. C. Mitra:** (a) With reference to the answers to parts (a) and (b) of my starred question No. 58 of the 30th January, 1934, is it a fact that a man, whose entertainment was sanctioned for performing the duties of a specific post in a particular establishment, could be employed outside that establishment without raising audit objection that the post against which the man was borne was not essential and must be abolished?

(b) Will Government please state, if the 11 men were required for work at the Army Headquarters, why they were not given the rates of pay prevailing there?

(c) Will Government please state when they expect the first Indian storekeeper to be brought up to the Army Headquarters for employment as a technical clerk on rates of pay sanctioned for performing technical duties in the Ordnance Branch at the Army Headquarters?

Mr. G. R. F. Tottenham: (a) The Honourable Member has not stated the position correctly. Military subordinates are appointed to the I. A. O. C. for any work in the department for which they may be required. The headquarters of the I. A. O. C. is part of the M. G. O. Branch and a military subordinate of the Corps serving in that part of the Branch is serving in his own department.

(b) Because they were required for special work; for which the pay of their own corps is obviously appropriate.

(c) As explained to the Honourable Member on the 30th January in reply to his starred question No. 58, it takes several years of specialised training in arsenals for technical clerks to acquire the requisite knowledge, and I cannot foretell when a fully qualified Indian Storekeeper will be forthcoming for employment at the Army Headquarters.

Mr. S. C. Mitra: I take it that they get the scale of pay prevailing in the Department from which they are taken?

Mr. G. R. F. Tottenham: Yes: they get exactly the same scale of pay as they got in the arsenals. In the old days, when we took clerks from arsenals and employed them in the Army Headquarters, they used to get a special addition to their pay: now we have abolished that and they get exactly the same pay as they would be receiving in the arsenals, which is, I may say, very much the same as in the Army Headquarters.

DISCRIMINATION IN THE MATTER OF PAY AND ALLOWANCES IN THE ARMY HEADQUARTERS.

349. ***Mr. S. C. Mitra:** (a) With reference to the answer to my starred question No. 61 of the 30th January, 1934, is it a fact that the civilian personnel of the Army Headquarters are not subject to Fundamental Rules? If so, what was the reason for quoting those rules?

(b) Will Government please state whether the lady clerks employed in Government offices in England are accorded preferential treatment, in consideration of their sex over men clerks in regard to pay and travelling allowances?

(c) Are Government prepared to consider the desirability of amending all the relevant regulations with a view to eliminating any appearance of discrimination due to race and sex, and according equal treatment to members of all nationalities in the matter of pay and allowances? If not, why not?

The Honourable Sir Harry Haig: (a) The answer to the first part is in the affirmative. As regards the second part I may state that as the Honourable Member's original question was in general terms (which is the reason why I answered it instead of my Honourable friend the Army Secretary) I referred in my reply to Rule 18 of the Supplementary Rules. A Note to that Rule reproduces the orders contained in the Home Department Office Memorandum No. F. 281/26-Ests., dated the 18th February, 1927 and these orders are applicable to lady clerks irrespective of whether they are governed by the Fundamental Rules or the Civil Service Regulations.

(b) I am afraid I have no information on this point.

(c) The answer is in the negative, as Government consider that there is ample justification for the existing rules or orders in so far as they take into account the sex or the domicile of Government servants.

Mr. M. Maswood Ahmad: Do Government propose to inquire from the Home Government, with reference to part (b) of the question, as to what is the procedure there?

The Honourable Sir Harry Haig: No: I do not see why in this matter we should follow whatever happens to be the practice under different conditions in England.

PROMOTION OF AN INDIAN CLERK AS OFFICER SUPERVISOR IN THE BRANCHES OF THE ARMY HEADQUARTERS.

350. ***Mr. S. C. Mitra:** Will Government please state if they anticipate that an Indian clerk will ever be promoted to be Officer Supervisor in the principal branches of the Army Headquarters?

Mr. G. R. F. Tottenham: There is no reason to suppose that no Indian will ever be promoted Officer Supervisor. In fact Indians have been appointed to these posts in the past and one of them was selected in supersession of several Europeans.

POST OF THE DIRECTOR OF REGULATIONS AND FORMS.

351. ***Mr. S. C. Mitra:** With reference to the answer to my starred question No. 59 of the 30th January, 1934, are Government prepared to consider the desirability of

- (i) substituting an Indian officer for the present incumbent of the post of Director of Regulations and Forms; and
- (ii) altering the present designation of the post in favour of a more appropriate name, such as Controller of Army Printing and Establishment?

If not, why not?

Mr. G. R. F. Tottenham: Government are not prepared to make any immediate change either in the designation of the post or its holder. The claims of Indians for appointment to the post will be considered when a vacancy occurs in the normal course. Meanwhile I would invite the Honourable Member's attention to the Proceedings of the Military Accounts Committee (of which he was a member) on the 25th July, 1933, when the Committee agreed as to the importance of the post and the necessity for proceeding with the special work on the revision of Army Regulations on which its present incumbent is engaged. The control of Printing and Establishments constitutes a comparatively minor portion of the Director's duties.

Mr. S. C. Mitra: What is his major work?

Mr. G. R. F. Tottenham: The revision of Regulations.

Mr. S. C. Mitra: He frames the Regulations, is that the case, or he merely drafts the Regulations? What is the position?

Mr. G. R. F. Tottenham: He is responsible for revising all Army Regulations and endeavouring to make them simpler and less complicated than they are at present.

RETURNS OF INCOME DERIVED FROM COFFEE CROPS GROWN ON LANDS IN MYSORE AND OTHER INDIAN STATES.

352. ***Dr. F. X. DeSouza:** (a) Is it a fact that the Income-tax authorities in the Madras Presidency are calling upon coffee planters to submit returns of income derived from coffee crops grown on lands in Mysore and other Indian States?

(b) Is not such income exempt from income-tax under the last proviso to sub-section (2) of section 4 of the Income-tax Act, 1922, as amended by Act XII of 1933? If so, what is the object of calling for returns of such incomes, entailing as they do considerable amount of hardship on planters by way of clerical labour, etc.?

The Honourable Sir George Schuster: (a) Yes; in cases where the income, profits or gains from the business are liable to taxation under sub-section (1) of section 4 of the Indian Income-tax Act.

(b) The answer to the first part of the question is in the negative, because the last proviso to sub-section (2) of section 4 of the Act applies only to cases where the income would, but for the proviso, have been assessable under that sub-section, and not to cases where the income is assessable under sub-section (1) of the same section. The second part of the question does not, therefore, arise.

LEAVE GRANTED TO GOVERNMENT SERVANTS IN CONNECTION WITH COURT CASES.

353. ***Mr. Sitakanta Mahapatra:** Is it a fact that leave is always granted by the Government of India to their superior and inferior servants in connection with Court cases?

The Honourable Sir Harry Haig: If a Government servant is summoned as a witness, he is ordinarily granted permission to attend Court, subject to the exigencies of the Government service.

Mr. Lalchand Navalrai: And if he is called as an accused?

The Honourable Sir Harry Haig: Then I think there is no question of discretion.

SYSTEM OF RECRUITMENT OF PERMANENT WAY INSPECTORS ON THE NORTH WESTERN RAILWAY.

354. ***Khan Sahib Shaikh Fazal Haq Piracha:** (a) What is the system of recruitment of Permanent Way Inspectors on the North Western Railway? Are recruitments made direct, or is promotion given to the Assistant Way Inspectors who qualify themselves by passing the necessary examination?

(b) What is the difference between an Assistant Inspector, II grade, qualified for the post of a Permanent Way Inspector, and an Apprentice Permanent Way Inspector working as an Assistant Way Inspector, II grade?

(c) Is it a fact that Apprentice Permanent Way Inspectors are given preference over old experienced Assistant Way Inspectors qualified in every way, at the time of filling vacancies of Permanent Way Inspectors? If so, why?

(d) Is it a fact that there are several Assistant Way Inspectors on the North Western Railway, with long experience of service behind them, who have qualified themselves for the posts of Permanent Way Inspector, and that their rights are ignored when any vacancy occurs among the Permanent Way Inspectors?

(e) Do Government realise that, in making direct recruitments to the posts of Permanent Way Inspectors, the old Assistant Way Inspectors are debarred from further promotion till their retirement?

(f) Do Government propose to reconsider the present system of recruitment to the posts of Permanent Way Inspectors, and fix a good percentage of them to be filled up from amongst the old Assistant Way Inspectors who might be qualified for promotion?

Mr. P. R. Rau: I have called for information and will lay a reply on the table of the House in due course.

RUNNING OF THROUGH COMPARTMENTS BETWEEN LAHORE AND MALAKWAL.

355. ***Khan Sahib Shaikh Fazal Haq Piracha:** (a) Is it a fact that previously First, Second and Inter Class through compartments used to run between Lahore and Malakwal and *vice versa*, and that the running of these compartments has since long been stopped?

(b) Are Government aware that this discontinuance of the running of these through compartments is causing great inconvenience to a vast number of passengers, travelling towards Lahore *via* Malakwal and back?

(c) Are Government aware of the great inconvenience caused to the passengers in changing at Lalamusa and waiting on platforms for the arrival of the next train, and do Government propose to re-start the running of through compartment service, First, Second and Inter class passengers between Lahore and Malakwal? If not, why not?

Mr. P. R. Rau: (a) and (b). Government have no information.

(c) I am forwarding a copy of the question to the Agent, North Western Railway, for consideration. I may add, however, that this is a question which is eminently one for discussion in the Local Advisory Committee of the railway.

CARRYING OUT OF ORDERS REGARDING COMMUNAL REPRESENTATION BY THE NORTH WESTERN RAILWAY ADMINISTRATION.

356. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state if orders regarding communal representation in railway services are being carried out by the North Western Railway Administration?

(b) Will Government be pleased to state whether the following statement about the permanent communal composition of the staff employed

in the Divisional Superintendent's office, Karachi, is correct? If not, what is the correct permanent strength community-wise?

Grade V.				Grade IV.				Grade III.				Grade II.				Grade I.				
Total employees 4.				15				20				42				123				210
Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	Hindus.	Muslims.	Sikhs.	Christians.	
2	..	1	1	14	1	..	..	23	3	..	..	33	8	1	..	111	9	1	2	

(c) Is it a fact that there is not a single grade V senior Muslim in the Divisional Office and that there is only one grade IV sub-head?

(d) If the replies to the preceding parts be in the affirmative, what do Government propose to do in the matter?

Mr. P. R. Rau: (a) and (d). Government have no reason to believe that the orders regarding the reservation of 33 per cent posts in initial recruitment for the minority communities for the redress of marked communal inequalities are not being carried out on the North Western Railway.

(b) and (c). Government regret they are unable to verify these figures.

INADEQUATE REPRESENTATION OF MUSLIMS IN THE RAILWAY SUBORDINATE SERVICES IN THE KARACHI DIVISION.

357. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that Muslims are about 80 per cent in Sindh?

(b) Is it a fact that they are not adequately represented in the railway subordinate services, specially in the Karachi Division?

(c) If the reply to the above be in the affirmative, are Government prepared to issue instructions to the Agent, North Western Railway, that a larger number of Sindhi Muslims may be employed in the subordinate services?

(d) Is it Government's policy that the claims of people of the area served by a particular railway should not be overlooked by them?

Mr. P. R. Rau: (a) I understand that according to the last census report the percentage is about 73 per cent.

(b) Government have no information.

(c) and (d). Government have no reason to believe that the claims of this particular community are overlooked by the North Western Railway Administration. They cannot accept the principle that in the appointments in any particular locality through which a railway passes the inhabitants of that locality should have necessarily a preferential claim.

HINDU AND MUSLIM OFFICERS AND SUBORDINATES ON THE KARACHI DIVISION OF THE NORTH WESTERN RAILWAY.

358. *Mr. M. Maswood Ahmad: (a) Will Government be pleased to state the number of Hindu and Muslim officers and subordinates on the Karachi Division of the North Western Railway at present?

(b) How many of these officers and subordinates are Sindhi Hindus and Sindhi Muslims?

(c) Is it a fact that most of the posts have been monopolised by Hindu officers' and subordinates' relatives on the Karachi Division? If so, will Government be pleased to furnish a statement showing details of such staff?

(d) If Government are not in a position to give the number of such relations, are they prepared to ask the Agent, North Western Railway, to make enquiries in order to protect the interests of Muslims?

Mr. P. R. Rau: (a), (b) and (c). Government have no information.

(d) I am sending a copy of the question to the Agent, North Western Railway, for his information.

Mr. M. Maswood Ahmad: Will the Honourable Member kindly read this question over again? Certain information has been asked for and he can get it from the D. S.'s office in Sind.

Mr. P. R. Rau: Government are not prepared to obtain this information.

EMPLOYEES IN SUBORDINATE SERVICE ON THE NORTH WESTERN RAILWAY IN BALUCHISTAN.

359. *Mr. M. Maswood Ahmad: (a) Will Government be pleased to state the number of employees in subordinate services on the North Western Railway in Baluchistan and the percentage of Muslim Baluchis who form almost the entire population of the province?

(b) How many head clerks are employed in the Divisional Office, North Western Railway, Quetta, and what is the number of Muslim Baluchis who are employed there?

(c) If the representation of Muslim Baluchis is inadequate, what steps do Government propose to take to ensure that a proper representation of Muslim Baluchis is secured?

(d) If a sufficient number of Muslim Baluchis are not forthcoming for subordinate services on the Quetta Division, are Government prepared to take steps to send Muslim officials from other Divisions so as to adjust communal inequalities?

Mr. P. R. Rau: (a) and (b). Government have no information.

(c) and (d). Government consider that a Railway Administration must be taken as a single unit for the purpose of considering the measures necessary in pursuance of their policy of redressing marked communal inequalities and that the position on individual divisions or departments or offices cannot be examined separately.

Mr. M. Maswood Ahmad: Are Government not prepared to call for information in this case as well?

Mr. P. R. Rau: Certainly, Sir.

MUSLIMS IN THE ALL-INDIA MEDICAL COUNCIL.

360. *Mr. M. Maswood Ahmad: (a) Is it a fact that the All-India Medical Council has recently been constituted?

(b) If so, will Government please state the percentage of Muslims (i) elected, and (ii) nominated to that Council?

Mr. G. S. Bajpai: (a) Yes.

(b) Of the 27 members three are Muslims,—two nominated and one elected.

EXEMPTION OF CERTAIN PERSONS IN THE RAILWAY CLEARING ACCOUNTS OFFICE FROM PASSING THE APPENDIX D EXAMINATION.

361. *Mr. M. Maswood Ahmad: (a) Is it a fact that certain persons working in the Railway Clearing Accounts Office have been exempted from passing the Appendix D examination? If so, what is their number?

(b) Is it also a fact that the persons so exempted are all non-Muslims?

(c) If the answer to part (b) be in the negative, will Government please state the number of Muslims so exempted?

Mr. P. R. Rau: Apart from persons who, under the rules are not required to pass the examination, I understand there was only one person in the Railway Clearing Accounts Office who was exempted from passing the Appendix D examination, and he happens to be a Muslim.

MUSLIM HEAD CLERKS IN THE OFFICE OF THE DIVISIONAL SUPERINTENDENT, NORTH WESTERN RAILWAY, DELHI.

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

(a) if it is a fact that in the year 1930 the number of Muslim head clerks in the office of the Divisional Superintendent of the North Western Railway, Delhi Division, was one, viz., that of the Commercial Branch;

(b) if it is a fact that a deputation of Muslim Members of the Central Legislature waited upon Sir George Rainy in September, 1931, who, among other undertakings held out to the deputationists, undertook to see that the number of Muslim head clerks, etc., is increased;

(c) if it is a fact that the number of Muslim head clerks in the abovesaid office in the year 1931 increased by one, viz., that of the Copying Branch;

(d) if it is a fact that this increase of one Muslim head clerk in the aforesaid office was included in the figures, viz., 69, quoted on the floor of this House by Mr. Colvin in his speech when replying to my cut-motion on the 25th February, 1933;

(e) if it is a fact that the previous head clerk of the Copying Branch—a Hindu gentleman—was in the grade of the head clerk of the Branch, viz., IV (Rs. 160—10—200);

(f) if it is a fact that the present head clerk of the Copying Branch who happens to be a Muslim was a stenographer in grade III (Rs. 100—5—140) and is now working in the same grade as stenographer and head typist and not in that of the head clerk of the Copying Branch;

- (g) if it is a fact that in the statement showing the strength of the Divisional Office sent by the Divisional Superintendent, Delhi, to the Agent, North Western Railway, from time to time under his No. 181-E/O-II, the head clerk of the Copying Branch is being shown as one in grade IV and who happens to be some Hindu gentleman;
- (h) if the answers to parts (a), (b), (c), (d), (e), (f), and (g) above be in the affirmative, whether it is a fact that the present Muslim head clerk is made to work both as stenographer and head typist without the pay of the post; if not, how Government reconcile the two conflicting replies, viz., to parts (c), (d) and (g) above?

Mr. P. R. Rau: (a), (c), (d), (e), (f), (g) and (h). I have called for information and will place a reply on the table in due course.

(b) The undertaking given was that the Railway Board would ask the Agents to bear in mind the desire of the Railway Board for the employment of an adequate number of Muslims as Office Superintendents, and Head Clerks in making appointments to such posts and the Agents were addressed accordingly.

RESOLUTION NO. 1099 OF 1919 OF THE HOME DEPARTMENT.

363.* { **Pandit Satyendra Nath Sen:** } (a) Is the Honourable the Home
 { **Mr. S. G. Jog:** } Member aware of any such resolution of his department as resolution No. 1099, dated the 8th August, 1919? If so, will he kindly let this House know the contents of that resolution?

(b) Is that resolution still in force, or has it been since rescinded?

The Honourable Sir Harry Haig: (a) Yes, I am aware of the Home Department Resolution No. 1099, dated the 8th August 1919. A copy will be found in the Library of the House.

(b) The Resolution is still in force.

Pandit Satyendra Nath Sen: May I know the substance of this Resolution?

The Honourable Sir Harry Haig: It deals, Sir, with the employment of those persons who rendered service in connection with the Great War.

ENQUIRY INTO ALL CASES OF DISCHARGE BY AN OFFICER DEPUTED BY THE RAILWAY BOARD.

364.* { **Pandit Satyendra Nath Sen:** } Is it the practice or policy of
 { **Mr. S. G. Jog:** } the Railway Board to make special enquiry by deputing an officer in all cases of discharge? If not, in what cases is it done?

Mr. P. R. Rau: The reply is in the negative.

CLOSING OF LEVEL CROSSINGS ON RAILWAY LINES.

365. ***Nawab Naharsingji Ishwarsingji:** Are Government aware that once in a year the Railway Companies close for the whole day all level crossings on the railway lines? If so, are Government prepared to amend

the necessary rule or law by closing the level crossings only for an hour or so, with a view to removing the inconvenience and hardship felt by the public?

Mr. P. R. Rau: It is not the practice to close level crossings, over which there is a public right of way, for a whole day once a year. Private railway roads and pathways, which are used to a certain extent by the general public, are closed once a year in order to prevent the accrual of a public right of way in such cases.

BRIDGE OVER THE RIVER NARBADA NEAR BROACH.

366. *Nawab Naharsingji Ishwarsingji: Will Government be pleased to state when the existing bridge over the river Narbada near Broach will be used for the public and vehicular traffic, and what arrangements are made to connect the provincial road at the two ends of the said bridge?

The Honourable Sir Frank Noyce: Presumably the Honourable Member refers to the existing Bombay, Baroda and Central India Railway Bridge over the Narbada, near Broach, which the Bombay Government proposed to purchase for conversion into a road bridge. In this connection I would invite the attention of the Honourable Member to the reply I gave in this House on the 12th September, 1932, to starred question No. 182 on this subject. The Government of India have not heard further in the matter from the Local Government.

FORCED STATION SERVICE TELEGRAPHISTS.

367. *Mr. Sitakanta Mahapatra: (a) With reference to the reply given to question No. 40 (j) of Pandit Satyendra Nath Sen in this House on the 25th February, 1933, will Government please state if it is a fact that a station or a local service telegraphist is transferred to the general service, not by virtue of his merely volunteering for such a transfer, but only after he has proved his fitness by qualifying in the required tests?

(b) Is it also a fact that the forced station service telegraphists volunteered for transfer to general service only when such volunteers were called for from amongst them on two occasions in pursuance of the assurance, referred to in question No. 43 (a) of the 25th February, 1933, given to them?

(c) Is it also a fact that these men were made to go through the required tests on both the occasions and that no exception was made in the case of those who already passed on the first occasion?

(d) Will Government please state why in this particular case outsiders were considered more efficient than men already in service and declared fit on examination?

(e) Is it a fact that outsiders were recruited to the general service after the pledges referred to in the reply to question No. 43 (c) of the 25th February, 1933, given to the institutions, were withdrawn, and that about 50 per cent of the forced station service telegraphists, who passed the required tests, not only once but twice, still remained to be transferred?

(f) If the reply to part (e) above be in the affirmative, will Government please lay on the table a statement showing (i) the total number of outsiders recruited to the general service after the pledges to the institutions

were withdrawn and (ii) the number of forced station service telegraphists awaiting transfer to the general service at the time after passing the required tests?

(g) Is it also a fact that repeated representations to Government from different service organisations as well as from the affected men praying that further recruitment to the general service from outside might be stayed till these men are absorbed were rejected? If so, what were the reasons for doing so?

(h) Is it a fact that about 95 per cent of these forced station service telegraphists happen to be Indians?

(i) Will Government please state, with reference to the replies to questions Nos. 42 (a) and 43 (b) of the 25th February, 1933, whether they are prepared to treat the cases of these men who happened to be Indians as exceptional and transferred to the general service?

Sir Thomas Ryan: (a) and (c). The Honourable Member is referred to the reply given to part (k) of Pandit Satyendra Nath Sen's question cited by him.

(b) Yes.

(d) The Honourable Member's inference that outside recruits were considered more efficient than all men already in service is not warranted as recruitment was made from both sources. His attention is invited to the reply given in this House to Pandit Satyendra Nath Sen's unstarred question No. 41 on the 25th February, 1933.

(e) Yes, but I would point out that there was no assurance of the transfer of these so-called "forced station service telegraphists" to the General Service, nor can any such hope be held out now.

(f), (i) 64.

(ii) approximately 92.

(g) The reply to the first part is in the affirmative. As regards the second part, the Honourable Member is referred to the reply given to part (d) of his question.

(h) Government have no precise information but the fact may be as stated.

(i) Government regret that they are unable to treat the cases of these men as exceptional.

Mr. Lalchand Navalrai: May I know, Sir, if any recruitment is going on in the Department?

Sir Thomas Ryan: I presume, Sir, the Honourable Member refers to the General Service of Telegraphists. No new recruitment is at present being made to that service, and it is doubtful whether there will in future be any further recruitment to it.

Lieut.-Colonel Sir Henry Gidney: Does that imply, Sir, that the General Service of the Telegraph Department is being entirely abolished?

Sir Thomas Ryan: What, I think, I said was that it was doubtful whether there would be any further recruitment to the General Service.

Lieut.-Colonel Sir Henry Gidney: Then, Sir, does that imply that that service will cease to exist?

Sir Thomas Ryan: The reply implies not that the service is to be abolished in so far as it affects the people who are already in it, but it does imply a possibility that it may cease to exist according as the existing incumbents retire.

Lieut.-Colonel Sir Henry Gidney: Then, your "Yes" means "No", and "No" means "Yes"?

(No reply.)

CLERICAL CADRES IN THE OFFICE OF THE POSTMASTER GENERAL, BURMA.

368. ***Mr. Sitakanta Mahapatra:** (a) Is it not a fact that upto August, 1931, there were two distinct clerical cadres in the office of the Postmaster General, Burma, viz., (i) the Postal including Telegraph Traffic and (ii) the Engineering, and that promotion to selection grade appointments were strictly confined to the respective time-scale cadres?

(b) Is it not a fact that knowledge of rules of Posts and Telegraphs Manual, Volume X and the Initial Account Code, Volume II, which are included in the syllabus of the Lower Selection Grade examination of the Engineering Branch only is essential for Head Clerks of the Telephone Revenue Accounting offices for discharging their duties efficiently?

(c) Will Government please state if any Lower Selection Grade clerks of the Engineering Branches were specially trained at Government expense for Telephone Revenue Accounting work of the circle offices?

(d) If the replies to parts (b) and (c) be in the affirmative, do Government consider such specially trained Lower Selection Grade clerks of the Engineering Branch better qualified and more suitable for the new posts sanctioned for circle offices in connection with Telephone Revenue Accounting work?

(e) Is it not a fact that in reply to part (c) of the unstarred question No. 144, dated the 30th September, 1932, of Mr. Nabakumar Sing Dudhoria, it was stated that Telephone Revenue Accounting offices when decentralised and attached to circle offices were considered as forming part of the Engineering Branch of the circle offices up to August, 1931?

(f) If the replies to parts (a), (d) and (e) be in the affirmative, is it not within the meaning of the reply referred in part (e) above that appointments of Head Clerks of Telephone Revenue Accounting branches of circle offices should have gone to the Lower Selection Grade of clerks of the Engineering Branch up to August, 1931?

(g) If the reply to part (f) be in the affirmative, do Government propose to rectify the injustice that might have been caused to the legitimate aspirants in making appointments of Head Clerks of Telephone Revenue Accounting Branches of circle offices?

Sir Thomas Ryan: (a) As regards the first part, the fact is that the Postmaster-General's office had only one clerical cadre which however did not include the Engineering Branch clerks employed in that office who belonged to the Engineering Circle clerical cadre, and that promotion to lower selection grade appointments in either of these two cadres was confined to the time-scale clerks in the cadre concerned.

(b) There were no posts of head clerks in the Telephone Revenue Accounting Offices and the examination referred to by the Honourable Member was not applicable to those Offices and it does not exist at present.

(c) Government are not aware of any such case.

(d) Does not arise in view of the reply given to parts (b) and (c).

(e) Yes, but the new Lower Grade Selection posts sanctioned for the Telephone Revenue Accounting work in Circle Offices were not treated as open to Engineering Branch clerks only.

(f) No. The Honourable Member is referred to the reply given to part (g) of the question cited in part (e) of his question.

(g) Does not arise.

RECRUITMENT OF ENGINEERING SUPERVISORS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

369. ***Mr. Sitakanta Mahapatra:** Will Government please refer to parts (c) and (d) of the reply given to question No. 979 on the 16th September, 1933, by Bhai Parma Nand, and state if they are prepared to give departmental candidates in the first batch seniority over outsiders, as was done in the case of the second batch? If not, will Government please state the circumstances which led them to make such a distinction?

Sir Thomas Ryan: The reply to the first part is in the negative. As regards the second part the seniority of the first group of the Engineering Supervisors was determined according to the rules applicable to their recruitment which did not provide for any preferential treatment for the departmental candidates in respect of seniority. These rules were subsequently revised so as to give preference to departmental candidates but it is not proposed to extend this concession retrospectively to men who offered themselves for examination when a different rule was in force.

DECLARATION OF CERTAIN FESTIVAL DAYS AS TELEGRAPH HOLIDAYS.

370. ***Mr. Sitakanta Mahapatra:** (a) Has the attention of Government been drawn to the remarks made on page No. 497 of the *Telegraph Review* of November, 1933, on public holidays and telegraph holidays?

(b) Are Government prepared to declare the Id, Janmashtami, Muharram and similar other festival days as telegraph holidays like Christmas, New Year's Days, etc.? If not, why not?

The Honourable Sir Frank Noyce: (a) Government have seen the article referred to.

(b) No. Government do not propose to increase the number of telegraph holidays since to do so would result in a serious dislocation of public business. In this connection the attention of the Honourable Member is invited to the reply given by the Honourable Sir Bhupendra Nath Mitra to Mr. M. S. Sessa Ayyangar's starred question No. 681 in this House on the 23rd September, 1929.

Maulvi Muhammad Shafee Daoodi: Are Government aware that Muslims are enjoined to offer prayer in congregation at a particular time of the day on the two Id days and, therefore, they cannot be asked to be at their post at that moment?

The Honourable Sir Frank Noyce: I understand that certain concessions in this matter have been given.

Maulvi Muhammad Shafee Daoodi: But no concession except leave for the time when the prayer is offered in congregation on those two Id days could be satisfactory.

The Honourable Sir Frank Noyce: I am prepared to review the existing concessions.

INSOLVENT GAZETTED OFFICERS IN THE TELEGRAPH BRANCH OF THE POSTS AND TELEGRAPHS DEPARTMENT.

371. ***Mr. Sitakanta Mahapatra:** (a) With reference to the reply given to question No. 846 of the late Mr. B. N. Misra on the 12th September, 1933, will Government please state the number of insolvents in the gazetted ranks of the Telegraph Branch of the Posts and Telegraphs Department who hold charge of offices?

(b) Has any complaint been made to Government during the period from 1928 to 1933 for exactions of money from the subordinate staff of the Telegraph Service by any gazetted officer in charge of offices?

(c) Is it a fact that the Postmaster General, Bengal and Assam Circle, received a complaint in 1932-33 that the cash of a telegraph office was made good by a private crossed check after defalcation by the officer in charge?

(d) Do Government propose to inquire into the conduct of the gazetted insolvent servants to see the advisability of retaining them in the Public Service any more?

(e) Is it a fact that all insolvents in the Subordinate Telegraph Service were discharged during 1932-33 as undesirables?

Sir Thomas Ryan: (a) Two.

(b) No.

(c) No.

(d) No. It is for the competent local authorities to take necessary action in regard to rule 16 (3) of the Government Servants' Conduct Rules, and Government do not themselves propose to undertake any such inquiries.

(e) No.

Mr. Lalchand Navalrai: There is no rule that an adjudicated insolvent should not be kept in service?

Sir Thomas Ryan: There is no absolute rule. There are rules relating to the treatment of insolvents, but they allow some discretion to the authorities concerned according to the facts of each particular case.

Mr. Lalchand Navalrai: May I know if that discretion has been used at any time by the officers in discharging those men that were adjudicated insolvents?

Sir Thomas Ryan: I am not quite sure if I followed the question. I think it was whether this discretion has in fact been acted upon in any case. If so, it has been acted on in several cases.

RECOVERY OF OVERPAYMENT MADE TO GOVERNMENT SERVANTS.

372. ***Rai Bahadur Lala Brij Kishore:** (a) Is it not a fact that Government have the right to recover overpayment made to their employees at any time, irrespective of the length of the intervening period counted from the date of the overpayment?

(b) If the answer to part (a) be in the negative, what is the time limit, and whether the same term of limitation is applicable to the employees?

The Honourable Sir Frank Noyce: (a) and (b). Subject to the operation of the law of limitation in the case of recovery of an overpayment from a former employee who has ceased to occupy a position enabling Government to effect recovery otherwise than by civil suit, Government regard themselves as being free to deal with individual cases on their merits irrespective of any time limit.

FIXATION OF THE PAY OF TELEGRAPHISTS.

373. ***Rai Bahadur Lala Brij Kishore:** (a) Is it a fact that since the introduction of the Fundamental Rules in 1922, the pay of many telegraphists has been fixed according to some obsolete rules by office heads in the Posts and Telegraphs Department?

(b) Is it not a fact that when such grievances have been represented, the Director General has regretted his inability to do anything at a distant date, but issued a Circular letter in 1929 to all Postmasters-General, inviting their attention to the irregularities?

(c) If the answer to part (a) be in the affirmative, are Government prepared to see that their orders are carried out from the time they were introduced? If not, why not?

(d) If the answers to parts (a) and (b) be in the negative, will Government please lay on the table a statement showing, Circle by Circle, the number of cases represented to the Director-General on the subject of non-compliance of the Fundamental Rules since 1922 to the first week of December, 1933, in the Posts and Telegraphs Department?

Sir Thomas Ryan: Enquiries are being made and information will be laid on the table in due course.

REPORT OF THE VARMA COMMITTEE.

374. ***Rai Bahadur Lala Brij Kishore:** (a) With reference to starred question No. 844, dated the 12th September, 1933, by the late Mr. B. N. Misra, are Government now in a position to reply to it?

(b) If the answer to part (a) be in the negative, will Government please state how they propose discussion of the Varma Committee report with the representatives of the service organisations in the absence of the important information?

Sir Thomas Ryan: (a) The reply to parts (a) and (b) of the late Mr. B. N. Misra's question is that Government have seen the part of the questionnaire alluded to in it which deals with a detail in the working arrangements in a telegraph office; and that the Committee presided over by Mr. Varma did not find it necessary to make a recommendation on the subject. As regards parts (c) and (d) of that question Government are not in a position to comply with the late Mr. Misra's request.

(b) The recommendations of the Committee have been the subject of very full discussion by myself with representatives of the service associations concerned, and the difficulty anticipated by the Honourable Member was not experienced.

HANDLING OF THE TELEGRAPH AND TELEPHONE TRAFFIC.

375. ***Rai Bahadur Lala Brij Kishore:** (a) Is it a fact that Government have under consideration a proposal to place the handling of the telegraph and telephone traffic of the country under the Traffic Branch of the Posts and Telegraphs Department, and to entrust the Engineering Branch of the Department, like Public Works Department, with the maintenance work only?

(b) If the answer to part (a) be in the affirmative, will Government please state the reasons?

(c) Will Government please state the existing methods of computations of engineering expenses between the telegraph traffic and telephone?

Sir Thomas Ryan: (a) No such proposal is under the consideration of Government.

(b) Does not arise.

(c) It is presumed the Honourable Member desires to know the method of distributing engineering expenses between Telegraphs and Telephones. If so, his attention is invited to the footnotes numbered (e), (g), (h), (i) and (j) on pages 6 to 9 of the Detailed Statements in support of the Demands for Grants for 1934-35.

COLLECTION OF OPINIONS ON THE TEMPLE ENTRY BILL THROUGH THE POLICE AT KARACHI.

376. ***Mr. Lalchand Navalrai:** (a) Is it a fact that Government are obtaining opinions of Hindu citizens on the Temple Entry Bill through the police? If so, why?

(b) Has the attention of Government been drawn to a contribution in the *Sind Observer* of the 20th February, 1934, giving instances of this procedure of obtaining public opinions?

(c) Will Government be pleased to state who were the police officers doing so at Karachi, and under what authority?

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

ARTICLE IN THE AMRITA BAZAR PATRIKA UNDER THE CAPTION "IS WAR IMMINENT? STIR AMONG THE MILITARY PENSIONERS".

377. ***Mr. Lalchand Navalrai:** (a) Has the attention of Government been drawn to a letter alleged to be in Roman, dated the 3rd January, 1934, published in the *Amrita Bazar Patrika*, and referred to in the *Sind Observer* of the 20th February, 1934, under the caption "Is War imminent? Stir among the Military Pensioners"?

(b) Will Government be pleased to make a full statement in regard thereto?

Mr. G. R. F. Tottenham: (a) Yes.

(b) For some eight years there has existed a scheme for the formation on mobilisation of Indian Garrison and Duty Companies consisting of *ex-Indian* officers and *ex-soldiers* to set free regular troops for active service. The scheme provides for the ear-marking in peace of personnel for these units and it is expressly laid down in the orders that men volunteering for this employment will not be employed or paid until mobilization is ordered.

The reports in the Press appear to be based on a total misapprehension of a portion of a letter explaining the details of the scheme to *ex-soldiers* and asking for volunteers.

Mr. Lalchand Navalrai: Does the Honourable Member's reply then come to this, that there is no likelihood of any war being imminent?

Mr. G. R. F. Tottenham: I hope not.

ALLOTMENT OF PLOTS IN NEW DELHI TO THE MINISTERIAL STAFF OF THE IMPERIAL SECRETARIAT AND ITS ATTACHED OFFICES.

378. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that a separate area of land in New Delhi is reserved for allotment to the ministerial staff of the Imperial Secretariat and its Attached Offices? If so, what proportion does it bear to the total area of land in New Delhi? If not, why not?

(b) Will Government be pleased to state which Department deals with this allotment of plots, who is the final authority, and what is the procedure for this?

(c) How are the plots allotted, *i.e.*, whether on direct lease or by auction? If the latter, why?

(d) When plots are available for allotment, are the clerks informed about it and applications invited? If not, why not?

(e) Will Government be pleased to state how many plots have been so far allotted to clerks and how many are available at present?

(f) How many applicants are on the waiting list and for how long a period?

(g) If the replies to any of the preceding parts be in the negative, will Government be pleased to state why the allotment of plots of land to the desiring and deserving ministerial staff of the Imperial Secretariat and Attached Offices has not so far been considered necessary, and the action they propose to take now? If no action is proposed, why?

Mr. G. S. Bajpai: I have made certain enquiries and a reply will be laid on the table of the House in due course.

CLERKS' QUARTERS IN NEW DELHI.

379. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state if the statement below is correct?

Statement showing the number of orthodox and unorthodox clerks' quarters (existing and under construction) in New Delhi.

Type.	Existing.						Under construction.					
	Classes.						Classes.					Total.
	A	B	C	D	E	Sing.	A	B	C	D	E	
Orthodox . .	18	70	238	970	118	104	3	27	90	272	150	2,060
Unorthodox . .	55	62	66	50	...	72	...	33	30	22	..	390
	73	132	304	1,020	118	176	3	60	120	294	150	2,450

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state if the quarters now under construction are expected to be ready for allotment before the next Simla-Delhi move of the Imperial Secretariat?

(c) If the reply to part (b) above be in the negative, will Government be pleased to state in how many months the quarters are likely to be ready for allotment?

(d) Will Government be pleased to state whether any clerk of the Secretariat or Attached Offices will remain unprovided with quarters after completion of the quarters now under construction? If so, how many of the migratory staff and how many of the non-migratory staff will remain unprovided?

The Honourable Sir Frank Noyce: (a) The statement is correct except that the number of the existing "A" class unorthodox clerks' quarters is 32 and not 55, and that there are in existence 2 "B" class unorthodox quarters which have been handed over to the New Delhi Club.

(b) Yes.

(c) Does not arise.

(d) The answer to the first part of the question is in the affirmative. Of the total number of applicants for quarters, 2,518 in all, the number for whom accommodation in quarters other than single quarters, applications for which are not due until July next, cannot be provided is 304 or approximately 12 per cent. As allotments have not yet been made, it is not possible to give separate figures for migratory and non-migratory staff.

MINISTERIAL STAFF ENTITLED TO GOVERNMENT QUARTERS IN NEW DELHI.

380. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether the statement, showing the total number of ministerial staff (including Gazetted Superintendents in the Secretariat) in various Departments and Offices in New Delhi on the 1st January, 1934, who are entitled to Public Works Department quarters in the New Delhi area only, sent to the Department of Industries and Labour, is correct?

(b) If the reply to part (a) above be in the negative, will Government be pleased to furnish a correct statement? If not, why not?

(c) What is the total number of (i) ministerial staff in the Indian Stores Department, (ii) Accountants, Stenographers and clerks in the Auditor General's Office, (iii) ministerial staff in the Central Public Works Department, that is, in the various offices under the Chief Engineer, Public Works Department, and (iv) clerks and draftsmen in the Land and Development Office?

(d) Is it a fact that more than five per cent of the staff shown in the statement referred to in part (a) above have got their own houses in New Delhi, Delhi, Paharganj and Karol Bagh? If not, will Government be pleased to furnish the correct percentage of such employees?

(e) Will it be possible for Government to provide Public Works Department quarters in New Delhi to the staff of the various Departments and Offices shown in the statement referred to in part (a) above when the quarters now under construction are ready for occupation? If not, how many clerks of the Secretariat and Attached Offices will remain unprovided, and in what shape do Government propose to redress the long standing grievances of those who cannot be provided with quarters?

The Honourable Sir Frank Noyce: (a)–(d). The information is not readily available and Government do not propose to collect it, as the result would not justify the labour involved.

(e) When the quarters now under construction are ready, it should be possible to accommodate well over 80 per cent. of the clerks in the Secretariat and Attached Offices. Government consider that it would be unsafe to enlarge the building programme at present, as it is necessary to allow a substantial margin for those who prefer to make their own arrangements.

PARKS ADJACENT TO THE IMPERIAL SECRETARIAT BUILDINGS.

381. ***Mr. M. Maswood Ahmad:** Will Government be pleased to refer to reply to starred question No. 839, dated the 18th March, 1932, and state:

(a) whether the parks adjacent to the Imperial Secretariat Buildings are being or have ever been maintained after the move of the Secretariat to Simla; if so, how many seasonal plants are actually left in each plot of the same after the first or second week of May each year; if none, why and in what shape the parks are said to have been maintained throughout the year; and

(b) what objection Government have to ordering the maintenance of the fountains and parks during the summer months?

The Honourable Sir Frank Noyce: (a) The Parks in question are maintained in the same manner in summer as they are in winter except that—

(i) in the winter annuals are planted (these do not thrive in the summer), and

(ii) the grass on the outer plots is allowed to grow during the monsoon owing to the prohibitive cost of mowing when growth is extremely rapid, and the weather and the state of the ground make mowing difficult.

(b) The difference in maintenance between winter and summer is not great, and is mainly regulated by weather conditions. The fountains are not used during the summer partly on account of the cost involved and partly because of the difficulty of keeping water in the basins and channels free from mosquitoes.

PERSONS CONFIRMED IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

382. ***Mr. M. Maswood Ahmad:** Will Government be pleased to state the total number of men confirmed in the Railway Clearing Accounts Office during 1933, and the number of vacancies reserved for redressing marked communal differences?

Mr. P. R. Rau: 12 temporary men were confirmed during 1933 of whom four belonged to minority communities.

COMMUNAL COMPOSITION OF MEN APPOINTED IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

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

(a) the total number of men appointed (i) to clear up the arrears, and (ii) against emergency grant, in the Railway Clearing Accounts Office, and the communal composition of the men so recruited; and

(b) the procedure adopted by the Railway Clearing Accounts Office in the matter of recruitment? How are the applications of candidates disposed of and by whom?

Mr. P. R. Rau: (a) 48 men were appointed temporarily in the Railway Clearing Accounts Office during 1933-34, of whom 41 were appointed in order to collect statistics regarding rail-borne trade for the Director General of Commercial Intelligence, and 7 were against the emergency grant. Of these 15 belong to minority communities.

(b) Recruitment is at present ordinarily made only from the waiting list of discharged clerks. Where outsiders are appointed the selection is made by the Director personally from among applications received in his office. The question of prescribing a competitive examination for fresh recruitments to be held locally by each Accounts Office is at present under consideration.

Mr. M. Maswood Ahmad: Are these posts advertised in newspapers before they are filled?

Mr. P. R. Rau: I am not sure of that, but probably not.

Mr. M. Maswood Ahmad: Will Government be pleased to state how the candidates will know about these vacancies if they are not advertised?

Mr. P. R. Rau: I believe, Sir, that there are a number of applications already with the Director from among which he can make selections.

Mr. M. Maswood Ahmad: May I take it that registers are kept, and that any one who desire some post may apply years in advance?

Mr. P. R. Rau: I suppose so, but I have no precise knowledge of what exactly happens in this connection.

Mr. M. Maswood Ahmad: Will Government be pleased to make enquiries into this matter and inform the House in due course?

Mr. P. R. Rau: As I have said before, we are already considering the question of having a competitive examination for recruitment. (Hear, hear.)

NON-MATRICULATE CLERKS EMPLOYED IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

384. *Mr. M. Maswood Ahmad: Is it a fact that there are over 400 non-matriculいたes employed as clerks in the Railway Clearing Accounts Office?

Mr. P. R. Rau: Yes.

Mr. M. Maswood Ahmad: Will Government be pleased to say how many of them are Muslims?

Mr. P. R. Rau: I should like to have notice of that question.

Mr. Gaya Prasad Singh: Do Government see the necessity of introducing this competitive system in other branches also?

Mr. P. R. Rau: It is the same office.

REFUSAL OF MEDICAL AID TO RAILWAY EMPLOYEES.

385. *Mr. M. Maswood Ahmad: (a) Are Government aware of the fact that on Train Examiner, Mr. Nur Mohammad, was posted at Rajpura on the North Western Railway in 1930, and that his wife was attacked by a very serious disease and no medical assistance was offered to him in spite of several telegraphic calls?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the reasons for maintaining such an expensive Medical Department on State Railways when the employees are refused medical aid in time of need?

Mr. P. R. Rau: (a) Government have no information, but understand that the ordinary practice is that when staff at roadside stations need medical assistance they inform the Assistant Surgeon in charge of the area who attends to them as soon as practicable.

(b) The reasons are sufficiently obvious.

MEDICAL ARRANGEMENTS FOR THE MENIAL AND SUBORDINATE STAFF ON STATE RAILWAYS.

386. *Mr. M. Maswood Ahmad: Is it a fact that no detailed instructions, like those in force in Civil Departments, have been issued for medical arrangements for the menial and subordinate staff on the Indian State

Railways and that no penalties have been imposed for careless and negligent attendance?

Mr. P. R. Rau: The Railway Board have issued no detailed instructions on the subject, but I shall ascertain whether any instructions have been laid down by Railway Administrations.

PROMOTIONS IN THE OFFICE OF THE RAILWAY BOARD.

387. *Mr. M. Maswood Ahmad: (a) Will Government be pleased to state the manner in which promotions from third to second and from second to first divisions are made in the office of the Railway Board?

(b) Does it depend on the will of the Branch Superintendent to ask for any particular clerk, or are such clerks sent for according to seniority?

(c) How are branch vacancies filled?

(d) Is it a fact that Muslim clerks are invariably sent for by branches? If so, why?

Mr. P. R. Rau: (a) and (c). 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) As I have already said promotions are based on seniority combined with efficiency.

(d) I regret I have been unable to understand what my Honourable friend means.

AMENDMENT OF SECTION 9 OF THE INDIAN INCOME-TAX ACT.

388. *Seth Haji Abdool, Haroon: Will Government be pleased to state if their attention has been drawn to the following rulings of High Courts, and if their reply be in the affirmative, will they kindly state whether it is proposed to amend section 9 of the Indian Income-tax Act:

(i) Chune Mal Salig Ram of Delhi *versus* Commissioner of Income-tax, Punjab and North-West Frontier Provinces (A. I. R. Lahore 1931, page 320, June issue);

(ii) Maharajadhiraja of Darbhanga *versus* Commissioner of Income-tax, Bihar and Orissa (A. I. R. Patna 1931, page 223, July 1931 issue);

(iii) In the matter of Krishna Lal Seal, A. I. R., Calcutta 1932, page 886;

(iv) Commissioner of Income-tax Madras *versus* Narain Devi; and

(v) Commissioner of Income-tax, Bombay Presidency, *versus* Khemchand Ramadas, A. I. R. Sind 1933, page 148?

The Honourable Sir George Schuster: The Government of India have had their attention drawn to the rulings mentioned except the fourth which cannot be traced. They have no present intention of undertaking legislation for the amendment of section 9 of the Indian Income-tax Act.

AMENDMENT OF SECTION 9 OF THE INDIAN INCOME-TAX ACT.

389. *Seth Haji Abdoola Haroon: (a) Will Government be pleased to state whether they have received any suggestions or representations for the amendment of section 9 of the Indian Income-tax Act in regard to the extent and kinds of allowances permissible as deductions from the annual letting value, and, if so, when do Government propose to take up and deal with this long standing grievance of the landlords?

(b) Is it a fact that the landlords are permitted an allowance of one-sixth or 16.66 per cent from the annual letting value of properties, on account of property taxes and repairs?

(c) Are Government aware that at Karachi only municipal property taxes amount to 14 per cent gross or 12.60 per cent net, leaving a balance allowance of 4.06 per cent or in some cases less to be appropriated towards repairs?

(d) Are Government aware that the maximum 4.06 per cent allowance towards repairs is not adequate, and, if so, do Government propose to raise the allowance to at least 20 per cent?

(e) Will Government be pleased to state what is the percentage of property taxes charged to Bombay landlords, and what total allowance they are permitted on account of property taxes and repairs combined?

The Honourable Sir George Schuster: (a) The Government of India have received certain suggestions of the nature described. They have no present intention of undertaking legislation for the amendment of the section.

(b), (c) and (d). I would invite the Honourable Member's attention to my reply to his question No. 558 (starred) which was answered on the 29th February, 1932.

(e) As a reference to the answer referred to in my reply to the preceding three parts of this question will disclose, part (e) of the question has been asked under a misconception, and it is therefore not necessary to ascertain what is the incidence of property taxes in Bombay.

AMENDMENT OF SECTION 9 OF THE INDIAN INCOME-TAX ACT.

390. *Seth Haji Abdoola Haroon: Will Government be pleased to state if their attention has been drawn to the ruling of the Lahore High Court in the case of Hashnak Mal Thakur Das *versus* Commissioner of Income-tax, Punjab, Delhi and North-West Frontier Provinces, Lahore (A. I. R. September, 1933, page 822), and if it is contemplated to amend section 9 of the Indian Income-tax Act, 1922, with a view to making the law clear?

The Honourable Sir George Schuster: The answer to the first part of the question is in the affirmative. The decision quoted did not contain any ruling upon the interpretation of the law and therefore its consideration cannot lead to any proposal to amend the law.

POSTS OF YARD SUPERVISORS, YARD FOREMEN, ASSISTANT YARD MASTERS AND YARD INSPECTORS ON THE EAST INDIAN RAILWAY.

391. *Rai Bahadur Lala Brij Kishore: (a) What is the difference between the posts of Yard Supervisors, Yard Foreman, Assistant Yard Master and Yard Inspectors on the East Indian Railway?

(b) What qualifications are necessary for an employee to enable him to be promoted to each of the above categories?

(c) How many posts in each of the above categories exist on each Division of the East Indian Railway and what is the grade of pay of each category?

(d) How many posts in each category are held by (i) Europeans, (ii) Anglo-Indians, (iii) Hindus and (iv) Muslims?

(e) What facilities are provided to the staff of the undermentioned categories to fill up the posts in the categories mentioned in part (a):

(i) Guards, (ii) Indian Assistant Station Masters and (iii) Head Numbertakers?

(f) Is there any objection to head number-takers filling up posts in any of the above categories? If so, what?

(g) Are some higher qualifications or training considered necessary, and, if so, why cannot facilities for the same be provided through the training schools and practical work in the Yard?

Mr. P. R. Rau: (a), (b), (e), (f) and (g). I am making enquiries and shall lay a reply on the table in due course.

(c) and (d). The latest information available with Government will be found on page 94 of Volume 3 of Mr. Hassan's report on the representation of Muslims and other minority communities in the subordinate Railway services, a copy of which is already in the Library of the House.

DISABILITIES EXISTING AGAINST THE OLD OUDH AND ROHILKUND RAILWAY EMPLOYEES.

392. *Rai Bahadur Lala Brij Kishore: With reference to their reply on the 6th February, 1934, to my starred question No. 100, do Government propose to consider the advisability of removing any disabilities that may exist against the old Oudh and Rohilkund Railway employees in view of the fact that both the old Oudh and Rohilkund Railway and the old East Indian Railway staff are now serving under one administration?

Mr. P. R. Rau: Government are not aware that there are any special disabilities under which the old O. & R. Railway employees are suffering which calls for their intervention.

GRANT OF LEAVE WITHOUT PAY TO THE EAST INDIAN RAILWAY NON-WORKSHOP STAFF.

393. *Rai Bahadur Lala Brij Kishore: With reference to their reply on the 6th February to my starred question No. 101, relating to the grant of leave without pay to the East Indian Railway non-workshop staff, do Government propose to consider the feasibility of offering another option to the staff concerned to come under the new leave rules and of setting up an adequate machinery to explain the advantages of the new leave rules, to the employees concerned, and obtaining the consent of each individual employee to the effect whether he desires to come under the new leave rules or to remain under the old rules?

Mr. P. R. Rau: Government do not consider there is any necessity for taking the action suggested.

PROVISION OF MOTOR BUS SERVICE FOR THE CHILDREN OF THE RAILWAY EMPLOYEES.

394. ***Rai Bahadur Lala Brij Kishore:** Are Government prepared to consider the feasibility of providing a motor bus service from the "staff benefit fund" for the benefit of the children of the railway employees in cases where big railway colonies are situated at a distance of over a mile from the school centres in the city, to enable the children of railway employees to receive proper education?

Mr. P. R. Rau: Under the rules governing the Staff Benefit Fund on the State-managed Railways, expenditure from the Fund is authorised by a Committee consisting of an officer nominated by the Agent and five members, all railway employees, one nominated by the Agent and four elected by the staff. Government are not in a position to interfere.

AGE LIMIT FOR APPEARING AT THE COMPETITIVE EXAMINATION FOR INDIAN CIVIL SERVICE IN INDIA AND IN ENGLAND.

395. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state what is the age limit for appearing at the competitive examination for Indian Civil Service in India and in England, respectively?

(b) If it is 23 years in India and 24 years in England, will Government be pleased to state the reason for this discrimination?

(c) Do Government propose to fix the same age limit in both places? If not, why not?

The Honourable Sir Harry Haig: (a) A candidate for the examination in London must have attained the age of 21 and must not have attained the age of 24 on the 1st of August of the year in which the examination is held. A candidate for the Delhi examination must have attained the age of 21 and must not have attained the age of 23 on the 1st of January in the year in which the examination is held. The difference in the upper age limit is thus five months.

(b) and (c). The age limits for the two examinations are fixed with reference to conditions prevailing in the United Kingdom and India, respectively. An increase in the age limit in India would, with the two years' period of probation for candidates recruited in India, involve candidates recruited in India entering the service at an appreciably higher age than those recruited in London.

TENDERS FOR CONVEYANCE OF MAILS BY KONKAN FERRY STEAMERS.

396. ***Mr. S. C. Mitra:** Will Government be pleased to state:

(a) whether fresh tenders are being invited shortly for the conveyance of mails by Konkan Ferry steamers, if not, the date when the present contract expires;

(b) if the reply to part (a) be in the affirmative, whether the present contractors, viz., the Bombay Steam Navigation Company, have persistently refused to agree to touch Dabhol and Jaygad harbours by their Vizaydurg line steamer compulsorily on their return journey to Bombay;

(c) whether the passengers from Ratnagiri to Dabhol have now to proceed to Harnai, wait there for over 18 hours and then take a return trip to Dabhol;

(d) whether they are aware that as a result of the refusal referred to above, the mails for all places between Harnai and Ratnagiri from and to all parts have to suffer heavy detention, take a circuitous route and thus cause avoidable annoyance and inconvenience; and

(e) whether in accepting tenders hereafter Government propose to make it obligatory on the contracting Company to touch the mail steamer at Dabhol and Jaygad harbours in both directions?

Sir Thomas Ryan: (a) to (e). Information is being collected and will be placed on the table in due course.

TENDERS FOR THE TREASURY WORK OF THE POST OFFICES IN BOMBAY, POONA AND AHMEDABAD.

397. ***Mr. S. C. Mitra:** Will Government be pleased to state whether it is a fact:

(a) that tenders have been invited for the treasury work of the Post Offices in Bombay, Poona and Ahmedabad;

(b) that on previous occasions certain items were not included, and that as a result the Department had to pay additional sums to the contractor;

(c) that instructions have been issued to the authorities concerned that in accepting tenders the cost of doing the treasury work by departmental officials on lower salary that is being introduced by Government should be taken into consideration;

(d) that if the savings are not large enough, the work would be managed by the Department itself;

(e) that Government pay the contractor Rs. 61 per stamp-vendor and that the contractor in his turn pays only Rs. 30 per mensem as pay to each of his employees;

(f) that the pay of the departmental stamp-vendor before the revision was Rs. 35—1—55;

(g) that it would have been equally economical if the work was conducted by departmental officials; and

(h) that instructions have been issued to bear in mind more prominently the interest of the Department worked by its own men instead of the interest of the contractor?

Sir Thomas Ryan: (a) to (h). Information is being collected and will be placed on the table in due course.

UNSTARRED QUESTIONS AND ANSWERS.

SERVICE TELEGRAMS.

136. **Mr. S. C. Mitra:** (a) Will Government be pleased to state whether a service telegram issued as directed under rule 144 of the Posts and Telegraphs Manual, Volume V, is a "necessary" one?

(b) If so, will the cost of the said telegram, recovered on account of the irregularity which caused the issue of such a "necessary" telegram, be not ordered to be noted in the Punishment Register in the Post Office and Railway Mail Service?

(c) Will Government be pleased to state whether similarly the cost of service messages, recovered from a telegraphist for an error in the local number on a line, is not noted in the Punishment Register?

Sir Thomas Ryan: (a) Ordinarily a service telegram of the kind referred to by the Honourable Member would be regarded as a necessary one if issued in compliance with the rule mentioned.

(b) and (c). The circumstances giving rise to the issue of such telegrams may not necessitate such action as the Honourable Member suggests. Individual cases are dealt with on their merits.

SERVICE TELEGRAMS.

137. **Mr. S. C. Mitra:** Will Government be pleased to inform this House of the definition of an "unnecessary" and a "necessary" service telegram, as laid down by the Director General of Posts and Telegraphs?

Sir Thomas Ryan: The meaning of the words 'necessary' and 'unnecessary' have not been defined by me. They are commonly used in their ordinary sense as explained in the dictionary.

RESIDENTIAL ACCOMMODATION FOR POSTAL OFFICIALS STATIONED AT OOTACAMUND.

138. **Mr. S. C. Mitra:** (a) Is it not the policy of Government to provide residential accommodation for their servants at places where no residential accommodation is available at a reasonable rent?

(b) Are Government aware that Ootacamund is a hill station, commonly known as the "Queen of the Hill Stations", situated about 8,000 feet above sea level, is the seat of the Madras Government for seven months in a year, and is the summer residence of a good many princes, ruling chiefs, gentry, officials and non-officials, European and Indian, and that no residential accommodation for postal clerks is available there at a reasonable rent?

(c) Are Government also aware that the Government of Madras have provided residential accommodation for almost all the Government servants under their administrative control at Ootacamund (Nilgiris) at reasonable rents?

(d) Are Government also aware that postal officials at Ootacamund (Nilgiris) experience great difficulty for residential accommodation and each of them is housed in insanitary or unsuitable quarters, and that they invariably pay exorbitant and unreasonable rates of rent? If not, are Government prepared to ascertain and satisfy themselves whether this is not the case?

(e) Were the grievances of the postal officials stationed at Ootacamund regarding lack of suitable residential accommodation brought to the notice of Government on several occasions? If so, is it a fact that each time this question was shelved on the plea of finance?

(f) If the answers to the preceding parts be in the affirmative, are Government now prepared to consider the question of securing suitable residential accommodation for the postal staff at Ootacamund, as they have done at Delhi, Simla and other places? If not, why not, and when do Government hope to redress this grievance?

The Honourable Sir Frank Noyce: (a) Although the absence of suitable accommodation at a reasonable rent is one of the factors taken into consideration by Government when considering the provision of residential accommodation for their servants, it is not a fact that it is the policy of Government to provide such accommodation in all such cases.

(b) The reply to the first part is in the affirmative. As regards the second part, so far as Government are aware residential accommodation for postal clerks is available although rents are admittedly high.

(c) Yes, for a certain number of Local Government servants only.

(d) Government are aware that the postal staff at Ootacamund experience a certain amount of difficulty in finding residential accommodation in the immediate neighbourhood of the Post Office and that rents are high, but have no information as to the suitability of the quarters actually occupied by the staff, nor do they propose to make any special enquiries in this matter.

(e) A representation on the subject was last received by the Director General from the All-India Postal and Railway Mail Service Union in December, 1932, but it was not possible to comply with its request for the construction of quarters on account of the unsatisfactory state of the finances in the Posts and Telegraphs Department.

(f) The case of the Government staff at New Delhi and Simla is exceptional. Government do not consider that the position in regard to the housing of the postal staff at Ootacamund is such as would justify the formulation of any scheme for the construction of quarters in present financial conditions. The postal staff at Ootacamund draw compensatory allowances at specified rates.

COMPENSATORY ALLOWANCE TO THE POSTAL OFFICIALS EMPLOYED IN THE NILGIRIS.

139. **Mr. S. C. Mitra:** (a) Are Government aware that Government servants under the Local Government stationed at Ootacamund and other places in the Nilgiris are not only provided with suitable residential accommodation at reasonable rents, but are also granted compensatory allowance far in excess of that granted to postal officials employed in such places?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether it is a fact that the question of granting compensatory allowance to the postal officials employed in the Nilgiris at the same rates, as the Local Government have prescribed for their servants stationed in the said locality, is pending before them for over half a dozen years?

(c) Are Government prepared to consider the grant of the same rates of compensatory allowance or special pay to postal officials employed in the Nilgiris as are granted by the Local Government to their servants in the said locality, and arranging provision to the postal staff in the Nilgiris of suitable residential accommodation at reasonable rates of rent? If not, why not, and when do they hope to redress this grievance of postal officials employed in the Nilgiris?

The Honourable Sir Frank Noyce: (a) Residential quarters are not provided by the Madras Government for all their employees serving at the localities mentioned. Although the rate of compensatory allowance for Madras Government employees of the clerical class is slightly higher than that drawn by the Postal officials of corresponding status, the latter are on a better scale of pay.

(b) On account of the unsatisfactory state of the finances in the Posts and Telegraphs Department, proposals for increasing the existing rates, or making new grants, of compensatory allowances or special pay have had to be refused generally in all circles on the ground of the additional expenditure involved.

(c) The first part does not arise in view of the above reply. As regards the last part, no scheme for any new construction of quarters for the staff can be undertaken on account of the existing financial stringency.

RULES IN CONNECTION WITH APPEALS REGARDING PAY AND ALLOWANCES ON THE EAST INDIAN RAILWAY.

140. Khan Bahadur Haji Wajihuddin: (a) With reference to the reply to unstarred question No. 54 (b) given in this House on the 16th February, 1934, will Government be pleased to state if it is a fact that rules regarding the submission of appeals in connection with discharge and dismissal of State Railway non-gazetted employees do exist, but rules in connection with appeals "regarding pay and allowances" do not exist on the East Indian Railway?

(b) If the reply to part (a) be in the negative, then under what circular or notification the rules in connection with the submission of memorials "regarding pay and allowances" were communicated to the employees?

(c) If any such rules exist at all, will Government be pleased to lay on the table of this House a copy of them, i.e., the rules in connection with the submission of memorials regarding "pay and allowances" and not regarding discharge and dismissal?

(d) Will Government be pleased to quote the rule, if any, in which it is laid down that memorials "regarding pay and allowances" will be within the competence of the Agent and will not lie to the Railway Board?

Mr. P. R. Rau: I have called for information and will place a reply on the table in due course.

RULES REGARDING THE SUBMISSION OF MEMORIALS ON STATE RAILWAYS.

141. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that Mr. P. R. Rau stated in this House on the 11th December, 1933, that "certain memorials have been, I understand, recently received, by the Railway Board on the question and, in considering those memorials, all aspects of the case will be taken into consideration" (*vide* page 2928 of the Legislative Assembly Debates of the 11th December, 1933)?

(b) Is it a fact that in reply to unstarred question No. 54 (a) given in this House on the 16th February, 1934, Mr. P. R. Rau said that those memorials were from the North Western Railway staff?

(c) Is it a fact that regarding the memorials of the old Travelling Ticket Inspectors of the East Indian Railway, Mr. P. R. Rau in reply to unstarred question No. 54 (b), dated the 16th February, 1934, stated in this

House that disposal of such memorials, i.e. from the East Indian Railway staff, was within the competence of the Agent (advance copies of the said memorials having been sent to the Railway Board direct)?

(d) Are there different rules regarding the submission of memorials on different State Railways?

Mr. P. R. Rau: (a), (b) and (c). Yes.

(d) No.

MEMORIALS REGARDING PAY AND ALLOWANCES OF RAILWAY EMPLOYEES.

142. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that Sir Alan Parsons stated on the floor of this House on the 12th February, 1932, that "such employees, however, may submit a memorial to the Railway Board on matters affecting the conditions of service (*vide* Legislative Assembly Debates of the 12th February, 1932, page 622)?

(b) Is the reply of Mr. P. R. Rau not contradictory to the one given by his predecessor, in view of the reply to unstarred question No. 54 (b), dated the 16th February, 1934, that the disposals of memorials regarding pay and allowances is within the competence of the Agent?

(c) If the reply to part (b) be in the negative, will Government be pleased to state:

(i) which memorials were referred to by Sir Alan Parsons; and

(ii) which memorials were referred to by Mr. P. R. Rau?

(d) Is it a fact that the memorials in question from the old Travelling Ticket Inspectors of the East Indian Railway were based on the decision of the Railway Board accorded in December, 1932, and is it now within the competence of the Agent to dispose of these memorials?

(e) Is it a fact that in the usual course an appeal lies to the authority passing the orders or to an authority next above him?

(f) Are the memorials connected with the orders of the Railway Board within the competence of the Agent to be disposed of?

(g) Is it not a fact that the memorials in question directly refer to matters affecting the conditions of service of the old Travelling Ticket Inspectors of the East Indian Railway?

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

(b) and (c). No. What Sir Alan Parsons meant was that an employee could submit a memorial on matters affecting the conditions of service to the Railway Board through the Agent. This, however, did not imply that every such memorial would be considered by the Railway Board.

(d), (f) and (g). I am not in a position to reply unless the Honourable Member gives me particulars about the memorial to which he is referring in order to enable me to identify it.

(e) Generally, this is so in cases of discharge and dismissal.

MEMORIALS REGARDING PAY AND ALLOWANCES OF RAILWAY EMPLOYEES.

143. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that representations of Travelling Ticket Examiners of the East Indian Railway addressed to the Railway Board in March,

1933, were forwarded by the Agent, East Indian Railway, to the Railway Board, as acknowledged in the reply to unstarred question No. 364 (b), on the 20th December, 1933, and in the reply to starred question No. 1385 on the 11th December, 1933?

(b) Is it a fact that these representations were from certain staff other than the old Travelling Ticket Inspectors (regarding whom a decision was given by the Railway Board in December, 1932)?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state:

- (i) if in the case of certain employees the Agent can forward the memorials to the Railway Board and in others he is himself competent to dispose of them, especially when the subject of both is pay and allowances;
- (ii) whether there are different rules for the disposal of memorials regarding pay and allowances for the different categories of employees of one department on the same State Railway; and
- (iii) if there are uniform rules, then under what circumstances the memorials of certain Travelling Ticket Examiners were forwarded by the Agent to the Railway Board and, in the case of others, *i.e.*, the old Travelling Ticket Inspectors, the Railway Board holds the Agent competent to dispose of them (*vide* reply to unstarred question No. 54 (b) in this House on the 16th February, 1934)?

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

(b) Yes.

(c) (i) and (iii). Ordinarily the Agent is competent to dispose of memorials regarding pay and allowances from non-gazetted staff. This does not, however, prevent him from referring any particular case to the Railway Board for orders.

(ii) Not so far as I am aware.

SCOPE OF THE HOME DEPARTMENT LETTER NO. F.-537—32-ESTS.

144. **Khan Bahadur Haji Wajihuddin:** Will Government please state whether Home Department letter No. F.-537/Ests., dated the 16th November, 1932, applies either to

- (a) fresh recruits; or to
- (b) departmental promotions; or to
- (c) either class of cases mentioned in parts (a) and (b)?

The Honourable Sir Harry Haig: The letter in question was addressed to Local Governments and has not been published.

URS OF KHAWAJA SAHIB IN AJMER.

145. **Khan Bahadur Haji Wajihuddin:** (a) Will Government please state whether they recognise the Khawaja's fair (*Urs*) in Ajmer Sharif as an *Urs* of all-India importance? If not, why not?

(b) Will Government please state why only local holiday for this *Urs* is allowed and not a holiday throughout India?

(c) Will Government please state why no railway concessions by various railways are granted to the pilgrims proceeding to Ajmer Sharif during the *Urs*?

(d) Do Government propose to take steps to find out the importance of the *Urs* referred to in parts (a) to (c) above by inviting opinions of various administrations in order to give effect to the concessions mentioned in parts (b) and (c)?

Mr. H. A. F. Metcalfe: Sir, with your permission I will answer all parts together. The information is being collected and will be laid on the table in due course.

TELEGRAPH OFFICES AT MUD POINT AND HUGHLI POINT IN BENGAL.

146. **Mr. S. C. Mitra:** (a) Will Government please state if the telegraph offices stationed at Mud Point and Hughli Point (Bengal) are self-supporting? If not, do Government propose to abolish those two offices?

(b) Is it a fact that the nature of duties of those two offices compel the office-masters in charge to live in the quarters attached to them?

(c) Is it a fact that one of them has been given free quarters, while the other has to pay for it? If so, why?

Sir Thomas Ryan: (a) The reply to the first part of the question is in the negative; as regards the second part the retention of the offices is administratively essential and it is not possible to close them.

(b) The fact is substantially as stated.

(c) The telegraph offices referred to are in charge of postal signallers who are not entitled to rent-free Government quarters as a condition of their service. According, however, to the orders of the Government of India issued on the 3rd December, 1932, an official actually occupying rent-free quarters on that date was allowed to enjoy that concession until the next change in the incumbent of the post took place. As there has been a change of signaller in charge of the Hooghly Point telegraph office, the existing incumbent of the post is required to pay the usual rent for Government quarters occupied by him; while, as no such change has yet taken place in the Mud Point telegraph office, the signaller still retains the concession of rent-free quarters, which he enjoyed before the issue of those orders.

RULES REGARDING TRANSFERS OF ASSISTANT POSTMASTERS GENERAL.

147. **Mr. S. C. Mitra:** (a) Is it a fact that, according to the standing orders of Government, the Assistant Postmasters General are to be transferred after five years?

(b) Is it a fact that the Postmaster-General, Bengal and Assam, has all along been violating this order of Government?

(c) Is it a fact that Mr. N. C. Dutt, B.A., has been working as Assistant Postmaster-General, Bengal and Assam Circle, for the last ten years?

(d) Is it a fact that only paper transfers were made?

(e) Is it a fact that Mr. Dutt was transferred to Comilla some two years ago, but he never joined there?

(f) If the replies to the preceding parts be in the affirmative, do Government propose to take suitable notice of this?

The Honourable Sir Frank Noyce: (a) The orders are that ordinarily a Superintendent of Post Offices or of the Railway Mail Service should not occupy the post of Assistant Postmaster-General for more than 5 years at one stretch.

(b), (c) and (d). No.

(e) Yes.

(f) Does not arise in view of the replies to parts (b), (c) and (d).

RE-TRANSFER OF THE RAILWAY MAIL SERVICE "C" DIVISION TO THE CONTROL OF THE POSTMASTER GENERAL, BENGAL AND ASSAM CIRCLE.

148. **Mr. S. C. Mitra:** (a) Do Government propose to retransfer the Railway Mail Service "C" Division to the control of the Postmaster General, Bengal and Assam Circle, Calcutta?

(b) Are Government aware that owing to the transfer of the Division to the Bihar and Orissa Circle, its administration has been more costly?

(c) Is it a fact that the Postmaster-General, Bihar and Orissa, has issued orders forbidding recruitment of Bengalees in that Division?

The Honourable Sir Frank Noyce: (a) and (b). No.

(c) Government have no information. The Postmaster-General, Bihar and Orissa Circle, being in charge of the "C" Division, Railway Mail Service, is competent to issue orders in the matter of recruitment of the staff in that Division. The interests of Bengalees in the matter of appointments in the Railway Mail Service are adequately provided for in the Bengal and Assam Circle.

INCONVENIENCE CAUSED TO PILGRIMS AT THE NIZAM-UD-DIN RAILWAY STATION.

149. **Mr. Uppi Saheb Bahadur:** (a) Are Government aware that great inconvenience was caused to pilgrims at the Nizam-ud-din Railway Station at the time of the last annual fair at the Dargah of Hazrat Nazam-ud-din?

(b) Is it a fact that the attitude of the station staff of the Nizam-ud-din Railway Station was very objectionable towards pilgrims?

Mr. P. R. Rau: (a) and (b). No complaints have been received by Government.

ASSAULT TO AN INDIAN VENDOR AT THE PHULERA RAILWAY STATION.

150. **Mr. M. Maswood Ahmad:** (a) Are Government aware that on the Company-managed railways Indians are generally harassed by Anglo-Indians?

(b) Will Government please enquire and state if it is a fact that an Anglo-Indian fireman of the Bombay, Baroda and Central India Railway assaulted and caused hurt to an Indian vendor licensed by the said railway on the platform of the Phulera Railway Station on the 22nd October, 1933?

(c) Is it a fact that the said fireman was sometime ago convicted of a criminal offence? If so, why was he not dismissed by the Railway Company?

(d) Is it a fact that Dr. Anderson, Additional Civil Surgeon, Ajmer, certified the said vendor's hurt as grievous?

(e) Is it a fact that the Station Master and several other members of the railway staff were present at the Phulera Railway Station platform at the time of the assault referred to in part (b) above, and that they did nothing to save the vendor from being assaulted and hurt?

(f) Is it a fact that the brother of the said vendor wired to the Bombay, Baroda and Central India Railway authorities about the incident? If so, what action did the authorities of that Railway take in the matter?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 150, 151 and 152 together. Government have no information but a copy of questions Nos. 150 and 151 is being sent to the Agent, Bombay, Baroda and Central India Railway and a copy of question No. 152 to the Local Government for such action as they may consider necessary.

ASSAULT TO AN INDIAN VENDOR AT THE PHULERA RAILWAY STATION.

†151. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the Assistant Medical Officer of the Bombay, Baroda and Central India Railway at Phulera refused to admit an Indian injured vendor in the Railway Hospital at Phulera on the 22nd October, 1933, in connection with the injuries received by him in an assault by an Anglo-Indian fireman of that Railway at the platform of the Phulera Railway Station?

(b) Is it a fact that the said Assistant Medical Officer refused to give a medical certificate in respect of the injuries received by the vendor?

(c) Is it a fact that the Railway Medical Officer at Ajmer also refused to admit the vendor in the Railway Hospital at Ajmer?

ASSAULT TO AN INDIAN VENDOR AT THE PHULERA RAILWAY STATION.

†152 **Mr. M. Maswood Ahmad:** (a) Is it a fact that the brother of an Indian vendor reported to the Officer-in-Charge of the Government Railway Police at the Phulera Railway Station that his brother, a licensed vendor of the Bombay, Baroda and Central India Railway, had been assaulted and hurt by an Anglo-Indian fireman at the Phulera Railway Station platform on the 22nd October, 1933?

(b) Is it a fact that the said Sub-Inspector had himself seen the vendor lying unconscious at the Railway Station platform?

(c) Is it a fact that the Sub-Inspector refused to record the report made by the brother of the injured man?

(d) Is it also a fact that the Sub-Inspector refused to give a memorandum to the brother of the injured for his medical examination by the Assistant Medical Officer of the Railway at Phulera?

(e) Is it also a fact that the Sub-Inspector turned the brother of the injured man out of the premises of the Police Station?

(f) Is it also a fact that the Sub-Inspector threatened to arrest the brother of the injured man if the latter continued to insist on the recording of his report and on obtaining a memorandum for the medical examination?

†For answer to this question, see answer to question No. 150.

(g) Is it a fact that he wired to the Superintendent of Government Railway Police at Indore, reporting the above action of the Sub-Inspector? If so, what action did the Superintendent of Police take in the matter?

(h) Is it also a fact that he wired to the Railway Magistrate at Ajmer about the matter? If so, what action was taken by him in the matter?

(i) Do Government propose to institute an enquiry into the allegations and take necessary steps to prevent such occurrences in future? If not, why not?

RE-INSTATEMENT OF PERSONS WHO WENT ON STRIKE IN 1930 ON THE GREAT INDIAN PENINSULA RAILWAY.

153. **Mr. S. G. Jog:** (a) Will Government be pleased to state how many ex-strikers (1930) are still to be provided for on the Great Indian Peninsula Railway?

(b) How many of them are on the first waiting list?

(c) How many of them are on the second waiting list?

(d) Is it a fact that some strikers, though they complied with the terms of the communiqué, have been discharged from service merely for not vacating quarters?

(e) Are Government aware of recent judicial decisions that discharge from service merely for not vacating quarters without proper legal notice have been declared as wrongful?

Mr. P. R. Rau: (a) 3,495.

(b) 172.

(c) 3,323.

(d) It is not a fact that strikers were discharged from service merely for not vacating quarters. The position was, as stated by Sir George Rainy in reply to a short notice question on the 25th March, 1930, that a number of men on application for re-instatement were asked by the Railway to vacate their quarters, as their original posts had been permanently filled and re-employment either could not be found for them at once, or could not be found at the stations where they were employed previous to going on strike. They were asked to vacate their quarters as a preliminary to their names being entered on the waiting list.

(e) No.

GUARDS OF "A" GRADE ON THE GREAT INDIAN PENINSULA RAILWAY.

154. **Mr. S. G. Jog:** Is it a fact that "A" grade (Guards) on the Great Indian Peninsula Railway is exclusively reserved for Europeans and Anglo-Indians, and that though there has been reduction in pay and personnel in the case of "B" grade guards, the "A" grade scale has not been in any way affected?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

RE-INSTATEMENT OF "B" GRADE GUARD EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

155. **Mr. S. G. Jog:** Is it a fact that no "B" (Guard) grade ex-strikers on the Great Indian Peninsula Railway have been reinstated in their former grades, though there were a number of vacancies in that grade? If so, is it in accordance with the declaration of the policy outlined in the communiqué?

Mr. P. R. Rau: I have called for information and will lay a reply on the table of the House in due course.

TREATMENT OF RE-INSTATED EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

156. **Mr. S. G. Jog:** Is it a fact that ex-strikers on the Great Indian Peninsula Railway, reinstated after the 16th July, 1931, have been treated as re-engaged, thereby being deprived of Provident Fund bonus and gratuity? If so, is this not in contravention of the policy declared in the communiqué?

Mr. P. R. Rau: I have called for information and will lay a reply on the table of the House in due course.

FIXATION OF DIFFERENT CLASSES OF SUPERVISORY POSTS IN THE POST OFFICE AND THE RAILWAY MAIL SERVICE.

157. ***Mr. S. C. Mitra:** (a) Will Government be pleased to furnish this House with a copy of letter No. Est. B./EA-1/136/27, dated the 17th May, 1928, issued by the Director General of Posts and Telegraphs to all Heads of Circles, regarding fixation of different classes of supervisory posts in the non-gazetted selection grade posts in the Post Office and Railway Mail Service?

(b) Is it a fact that the Director General has recently issued a letter No. ES.A-10/33/Col. 34, dated the 28th December, 1933, stating that, where the number of a clerk or sorter under the direct supervision of a supervisor does not exceed ten, he should ordinarily be a time-scale official with a special pay of Rs. 20 per month?

(c) Is it a fact that where the number of a clerk or sorter in charge of a supervisor will exceed ten, he should be in the Selection Grade?

(d) Is it also a fact that a supervisor will be sanctioned for every ten clerks or sorters?

(e) Is it also a fact that while retrenching the number of selection grade posts in the Post Office or Railway Mail Service, Government respected the recommendation of the Postal Committee, 1920, and retained the number as recommended by them?

Sir Thomas Ryan: (a) Government are not prepared to lay on the table copies of departmental correspondence.

(b) Yes.

(c) No. The number ten is intended only to serve as an approximate guide, and each case for the creation of a selection grade post is examined and decided on its merits.

(d) No. A supervisor is sanctioned when such a post is found justified by the time test for supervisory staff.

(e) Posts not only of the selection grades but also of other classes are being abolished or reduced from a higher to a lower scale of pay, where this can reasonably be done in the interests of the economical administration of the Posts and Telegraphs Department. In consequence the total number of posts now existing in the selection grades may for various reasons differ from the number recommended by the Postal Committee, 1920, but Government have kept in view the general principle laid down by that Committee, viz., that the number of selection grade posts should be determined solely with reference to the number of charges sufficiently important to carry pay above the ordinary time-scale.

DUTIES OF DEPUTY POSTMASTERS OR DEPUTY SUB-POSTMASTERS.

158. **Mr. S. C. Mitra:** (a) Will Government be pleased to state what are the duties of the Deputy Postmasters or Deputy Sub-Postmasters?

(b) Is it a fact that they remain in charge of office during the authorised absence of the Head or Sub-Postmasters?

(c) Is it also a fact that in sub-post offices the Deputy Sub-Postmasters have to advance stamps to the stamp vendors or clerks and have to maintain a stock of stamps?

(d) Is it a fact that the Deputy Postmasters are to look to the payment of telegraph money orders which are received up to 6 P.M. and for which they are generally detained up to 7 P.M.?

Sir Thomas Ryan: (a) A Deputy Postmaster or a Deputy Sub-Postmaster is required to perform supervisory duties and at times some of the personal duties of the Head Postmaster or the Sub-Postmaster.

(b) Yes.

(c) and (d). The position varies according to the circumstances of each office. It may be that in some offices the position is as stated by the Honourable Member.

BASIS OF THE PAY OF LINO OPERATORS.

159. **Kunwar Hajee Ismail Ali Khan:** (a) Is it a fact that the pay of lino operators is based on their outturn and that they cannot expect any annual increments? If so, what future prospects have they?

(b) Is it a fact that some lino operators were confirmed in their posts in 1923 or so, on Rs. 85, and that since then they are getting the same pay without any annual increment? If so, why?

(c) Is it not a fact that as the operators decline in age, the outturn falls lower? If so, are Government prepared to consider the desirability of increasing their pay and prospects with a scale of annual increment? If not, why not?

(d) Is it not a fact that the lino operators expose their lives to deterioration through constancy in their duty in close residue with gas and lead poison? If so, do Government propose to recompense them? If so, in what respect?

The Honourable Sir Frank Noyce: (a) I presume the Honourable Member refers to the linotype operators employed in the Government of India Press, New Delhi. There are three different categories of linotype operators in the Press, viz., those recruited before the 16th July 1931, those transferred from the Calcutta Press and new recruits taken after the 15th July, 1931. The operators in the first category are on graded pay ranging between Rs. 85 and Rs. 100 and those in the last two categories are on time scales of pay. The payment to all the operators is however regulated on the basis of outturn and they are entitled to bonus if their outturn exceeds certain limits.

(b) Yes, as their outturn is below the prescribed limit.

(c) No. The second part does not arise.

(d) No gas is used in the Delhi Press. Lead fumes are generated by the machines, but there are exhaust arrangements approved by the Factory Inspector, prophylactic measures have been introduced and arrangements have been made for periodical medical examination of those exposed to risk. Actual cases of lead poisoning are dealt with under the provisions of the Workmen's Compensation Act.

QUALIFYING EXAMINATION FOR READER'S POST IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

160. **Kunwar Hajee Ismail Ali Khan:** (a) Is it a fact that a qualifying examination for readers' posts was held some time in last December in the Government of India Press, New Delhi? If so, were there any inter-departmental men sitting for that examination?

(b) Were inter-departmental men desirous to sit for the examination invited to send in their applications as they invited the copy-holders? If not, why not?

(c) Is it not the practice in every Government Department to hold such examinations departmentally whenever filling up vacancies? If so, why was not a similar procedure observed in the Government of India Press, New Delhi?

(d) Is it a fact that the right to sit for the qualifying examination for readers' posts is solely and exclusively reserved for copy-holders? If so, why?

(e) Do Government propose to issue instructions to the Press authorities to respect equally the claims and prospects of every employee in every branch of service? If not, why not?

The Honourable Sir Frank Noyce: (a) The answer to the first part is in the affirmative. On the assumption that by "inter-departmental men" the Honourable Member means men employed in branches other than the Reading Branch of the Press, the reply to the second part is in the negative.

(b) to (e). I am not aware of the practice in every Government Department; but in the Government of India Presses the ordinary practice is to fill the higher grades of a technical branch by efficient and qualified men in the lower grades of the same branch. The qualifying examination for Readers' posts is not restricted to the men in the Reading Branch and, while men in other branches have no claim to employment in that branch, those who offered themselves would be examined.

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

Mr. President (The Honourable Sir Shanmukham Chetty): I have to inform the Assembly that up to 12 Noon on Saturday, the 3rd March, 1934, the time fixed for receiving nominations for the Standing Committee for the Department of Education, Health and Lands, three nominations were received. As the number of candidates is equal to the number of vacancies, I declare the following to be duly elected:

- (1) Khan Bahadur Maulvi Rafiuddin Ahmad,
- (2) Khan Bahadur Haji Wajihuddin, and
- (3) Mr. A. Das.

THE GENERAL BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now proceed with the discussion of the Demands for Grants. According to the arrangement about which the Chair made an announcement, the available time today will be divided between the Independent and the Democratic Parties. Roughly about 4½ hours are available for today. The Chair proposes to allot this time equally between the two Parties. The first discussion will be on Demand No. 39 by the Independent Party and this discussion must close about 5 or 10 minutes past 3, which means that only about 2 hours and 10 minutes would be available for this Demand. In view of the short time available, the Chair proposes to place a time limit on speeches—20 minutes for the Mover and 15 minutes for other speakers.

DEMAND NO. 39—ARMY DEPARTMENT.

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

"That a sum not exceeding Rs. 4,17,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Army Department'."

Retrenchment in Defence Expenditure and Military Policy.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I move:

"That the demand under the head 'Army Department' be reduced by Rs. 100."

By this I want to raise the question of a retrenchment in defence expenditure and of the Military policy. This is a question which is debated every year in this House, but that is no reason why we should not discuss it again this year having in regard the outstanding importance of the subject. The expenditure of the Military Department is a vital matter to the country, because, if it remains at its present figure of 44½ crores, it will

(1736)

stand in the way of all beneficial activities, besides entailing heavy taxation under which the people are groaning.

This year, the Honourable the Finance Member has told us, as he told us last year, that the Army Department has been good enough to reduce their budget to a figure of about 46 crores from about 55 crores and this year it comes to 44½ crores. He no doubt very rightly gave every credit to that Department for the economies so far effected and I join with him in expressing our appreciation of the part played by His Excellency the Commander-in-Chief, for I do believe he has greatly helped the Honourable the Finance Member in effecting such economies as he has been able to do. When we look at the history of military expenditure, we at once realise how that expenditure is liable to go up from time to time when the finances are easy, and then, when the Finance Department is in a difficult position, the Military Department has perforce to cut down its expenditure. This is only natural; this being a very large spending department, its internal organisation and administration cannot be effectively controlled and regulated by any outside civil authority to any adequate extent. The Department, as we all know, is apt to indulge in a scale of expenditure which the country cannot bear, and it is, therefore, essential that this House and the civil side of the Government and the Finance Member in particular should never relax their vigilance over the Department. Sir, this year we are in a somewhat advantageous position to discuss the question of military expenditure and to prove to this House, the public and to the world that India is not being fairly treated in this matter at all by Britain. The country is being most inequitably treated. Considerable light has been thrown on the position by the Report of the Capitation Tribunal. If we had all the papers, all the important papers that the Government of India placed before that Tribunal, our case would have been, I believe, still more strengthened. Sir, we have received a contribution of Rs. two crores from His Majesty's Government as our just due, but I am absolutely convinced, even upon the meagre material that we have in the report itself, that we are entitled to very much more than two crores. This was admitted by the Honourable the Army Secretary himself.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I never admitted that we were entitled to it. I said we had asked for more.

Sir Abdur Rahim: I had asked my Honourable friend this question: supposing the Government of India's case had been fully accepted by the Tribunal, what would have been the contribution to India, and I suggested to him that the contribution would have been much more than what had been conceded. He replied "yes, certainly yes". If my Honourable friend refreshes his memory, he will find I am absolutely accurate.

Mr. G. R. F. Tottenham: That is, we did ask for more; I did not ever say in this House that we were definitely entitled to more.

An Honourable Member: Why did you ask for more?

Sir Abdur Rahim: My Honourable friend admitted that if the Government of India's case had been accepted in full, we would have been entitled to much more.

Mr. President (The Honourable Sir Shanmukham Chetty): They asked for more than what they were entitled to! (Laughter.)

Sir Abdur Rahim: As a matter of fact, my Honourable friend, the Finance Member, did suggest that the Government of India acted as an advocate. Who prepared the case for the Government of India? The Secretary of State, who is a Member of the British Cabinet, and he did so, I take it, after consultation with the Government of India. The case of the other side was prepared by the War Office and the Air Ministry and the two cases were placed before the Tribunal. May I ask the Government's representatives in this House if they put forward a case in which they did not believe? Is it to be believed for one moment, that a Government like the Government of India would put forward a case in the justice and fairness of which they did not themselves believe? I should like to know what answer the Government of India have to give. If they believed in that case, then they ought to have insisted: "no, we cannot agree that we should not get the full amount due to us". Sir, the Indian Army, including the British troops is maintained here, not merely for the defence of India, not merely in our interests, it is maintained in order to safeguard Imperial interests as well. Can that fact be denied? Even the Simon Commission's Report, which is the political Bible of the Diehard British politicians in both the countries,—what does it say? Does it not lay down in clear and unambiguous language, that the Indian Army is maintained, not merely for the defence of India, but in the Imperial interests as well? I may just read out one sentence only from that report. At page 174, Volume II, they say this:

"But here the effective defence of India is a matter in which other parts of the Empire are also closely and directly interested—Imperial foreign policy, empire communications, empire trade, the general position of Britain may be vitally affected."

Sir, His Majesty's Government maintains British troops in some other parts of the Empire as well, and in most of those cases it is the British Exchequer which bears the expenses. I will just quote from the "Statesman's Year Book":

"The land force of the United Kingdom consists of the regular army, the territorial army and the reserve forces. The regular army, whether at home or abroad except in India"—(I suppose the richest country in the Empire) (Laughter)—"is paid for by the Imperial exchequer."

India even pays a contribution towards the cost of troops at home owing to these serving as a dépôt for the regular troops in India and the Imperial Exchequer pays only for Indian troops when serving outside India. Let me remind the House, Sir, that it was the late Lord Salisbury who once remarked that India was the barrack of British troops in the oriental seas. Sir, I can quite understand that for Imperial purposes Britain wants to keep her garrison in India. But, surely, does it follow, is it fair to this country, that we should also be asked to pay for those garrisons? Sir, let us see what was the case put forward before the Tribunal itself. I find this at page 15 of the Report:

"The majority of us think that the grounds in respect of which the contribution should be made are the following only:

(1) That the army in India is a force ready in an emergency to take the field at once, which does not exist elsewhere in the empire, which is specially available for immediate use and which has on occasions been so used;

(2) That India is a training ground for active service such as does not exist else-

Then, the positive case, so far as I find from this report, which was put forward by the Government of India to the Secretary of State, was this. The report says:

"As to the amount of contribution, we are unable to place it on an arithmetical basis. The India Office has tentatively suggested several alternative formulæ on which the contribution might be based :

- (1) A fixed percentage of India's total expenditure on defence, say one-half—about £18 million per annum suggested by some members of the Sub-Committee of the First Round Table Conference, or alternatively some lower percentage,
- (2) the extra cost of maintaining British troops in India over the cost of maintaining a corresponding number of Indian troops, estimated at £10 million.
- (3) Defence expenditure of India relating to the cost of British troops, say, 16 million pounds or, alternatively, a percentage of this."

Now, I put to this House and to the Government that Indian troops, 12 Noon. officered as they are by British officers mainly, if not almost entirely, are quite sufficient for all the needs of Indian defence and to meet such dangers as arise from the activities of the Frontier tribes and any internal commotions that may arise. If necessary, you might increase the number of Indian troops. But no one can say that it is essential or necessary in the interests of Indian defence, properly speaking, to keep here about 50,000 British troops whose cost is far more than that of Indian troops per head and per unit. I believe it is several times more than the cost of the same strength of Indian troops. What have we got from the British Government? Only two crores of rupees. I have not the exact figures before me of the cost of British troops, but it is very considerable and one of the suggestions which I make to the Government of India, in spite of the verdict of the Tribunal which, by the by, was not unanimous, is, that we should get much more than what has been given. We know that there were two Indian Judges who were members of that Tribunal, and even on the technical and narrow question of the period of training they could not agree with their British colleagues. They did not agree with the majority and the reasons they have given in their note are certainly very strong. They are based on the findings of military authorities of great distinction, men like Sir Beauchamp Duff, Lord Lawrence, and, not the least, His Excellency the present Commander-in-Chief; indeed it was upon a series of reports of Committees, no less than five, that they based their conclusion that the period of training should not exceed six months—I am giving a general idea—while, as a matter of fact, the period of training that was accepted by the majority was 12 months. Now, as regards the Frontier problem, which is always flung into our face in defence of the present scale of army expenditure, I should like to know how far the new policy initiated by the Foreign Department in those regions, namely, the policy of peaceful penetration and exercising civilizing influence on the tribes by providing them with useful employment has been carried out. In the General Purposes Sub-Committee of the Retrenchment Committee, we had to consider this aspect of the question, and from the figures given in the official administration reports we found that since 1919 there had been a gradual decline in raids, casualties and the value of property looted; so that, while in 1919-20, there were no less than 611 raids, in 1927-28 there were only 18 raids; the number of persons killed in 1919-20 was 298 and in 1927-28 only 2, the number of persons wounded in 1919-20 was 392, while in 1927-28 it was only 6.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up. But if he wants to develop his argument, the Chair has no objection to allow him another 15 minutes, but it will mean that from amongst his Party there will be one speaker less. The time at our disposal has to be distributed among various Parties. The Chair has no objection to Sir Abdur Rahim continuing for another 15 minutes. It would mean that there will be only one speaker more from his Party.

Sir Abdur Rahim: I am much obliged to you and to the House for this indulgence, as I have a great deal to say, and the subject is very important.

I should like to know from the Honourable the Army Secretary whether the state of things in the Frontier is the same as it used to be, for instance, in 1927-28. I want concrete facts. We could not get the later figures, but he might enlighten us as to what the state of things now is.

Another point on which this House has always laid great stress and upon which we should like to have the facts as they stand at present is regarding the Indianisation of the Army. We have established a College, but I should like to know what is the intake which is in force at present, and how long will it take at the present rate for the Army to be Indianised substantially. I am told it may take a century, perhaps two centuries. Perhaps the Army Secretary will be able to give us some more accurate idea as to the pace at which Indianisation is going on and how long will it take to complete the process. I hope the Army Secretary will enlighten us on the subject.

Sir, I do not wish to enter upon the question of expenditure on certain ancillary and administrative services in the Army. I think there are other Honourable Members in the House who are more competent to speak on this subject, especially my friends, Colonel Sir Henry Gidney and Diwan Bahadur Ramaswami Mudaliar, who investigated the matter. But there can be no doubt from such information, as we are in possession of, that a great deal of economy is still possible in some of the administrative and ancillary services, medical services, veterinary services, clerical services, and I think the Army Secretary will be in a position to tell us exactly how things stand in all these services. This morning we had very interesting interpellations as to the pay of the Army clerical staff, and there can be very little doubt that some services in the Military Department are much more highly paid than there is any necessity for it.

I now come to my Honourable friend, the Finance Member, as I have one or two questions to put to him. He told us in his very interesting Budget speech that 44½ crores which includes the two crores awarded by His Majesty's Government is not to be taken as a new permanent level of expenditure on the military side. Then, he recounted a number of contingencies which may lead to that level being considerably raised. He said:

"The budget figure of 44.38 crores cannot be regarded as representing as yet a new permanent level of defence expenditure, but is an emergency Budget which barely covers the obligatory charges of maintenance. They point out that if the general price level should rise,

—which every one, including the Honourable the Finance Member, hopes for,—

"defence expenditure will automatically rise as it has automatically fallen; that the restoration of the emergency pay cut, when it comes, will mean a further increase;

that the curtailment of building and other programmes means the accumulation of commitments which cannot be postponed indefinitely; that current expenditure on stores must rise when retrenchment surpluses have been eaten down; and that during the next few years there will be inevitable extra expenditure on duplicate establishments in the earlier stages of Indianisation."

Then he says as a matter of consolation to us:

"Further possibilities of economies are still being urgently sought for."

That is the position. Therefore, we are not at all on certain ground. The expenditure, according to the Honourable the Finance Member, is bound to rise very soon. As soon as my Honourable friend gets a little more money, I am certain that a good portion of it, if not the whole of it, will be grabbed by the Military Department. Where, then, is there any relief to the tax-payer, where is there any possibility of rendering any beneficial service to the people, whose money the Government of India are spending? I say the prospect is very bad indeed. The only way out of the difficulty is that justice should be done to the revenues of India by Britain, that Great Britain should be told that the Government of India are on their last legs. The Government of India cannot go on indefinitely bearing the entire charges, a substantial portion of which ought to fall on the British Exchequer and Britain must be told that the two crores, which I suppose is a sort of gift to us, does not meet the situation. We want full justice to the Indian people. If Britain wants to keep a garrison here for her own Imperial interests, then she must pay the entire expenditure of that garrison. That is our case. We are not asking for any dole or charity from the British Exchequer. I know that the Government of Britain do not maintain a charity institution for us. Supposing we had a national Government here, supposing we had a Government responsible to the people, what would have been the position? They would have said "Even under the present conditions we have Indian troops and we can increase them, if necessary, there is no want of men in order to fill the ranks of the Army, there is no want of well-educated, able-bodied patriotic men who are willing to join the Army as Officers. We say that our men and our resources are quite sufficient to meet the needs of India's defence. But, we recognise that we have friendly connections with Great Britain. Our interests for more than a century have been linked together. We are a unit of the British Empire and we do not want the Imperial interests to suffer. If Great Britain thinks and if the War Office in England thinks that it is necessary, in order to safeguard the Imperial interests of Britain, to keep British troops in India, we raise no objection. But, when they ask further that we must pay for these troops, pay for their entire upkeep from the time they are recruited and also the non-effective charges, it does seem to us that it is not justice, it is not fair play." Great Britain, Sir, is far richer in comparison than India. There is no comparison indeed between the two countries. Look at the standard of living of England. Even during the so-called economic blizzard, that has been passing over Europe, is there any comparison between the standard of living of the British people and the standard of living of the poor, wretched, miserable people of this country? For the Government of a country like Great Britain to ask us to pay for the troops which they keep for their own Imperial interests here, to ask the poor people of India, whose income is hardly three pence a day, to meet this heavy charge, is, it seems to me, inequitable. The Government of Britain have a very serious case to answer. I must acquit the Government of India so far as they are at all separate from the Government in Britain of any blame for not putting forward their case. They did

[Sir Abdur Rahim.]

put forward India's case, and, I am absolutely sure of that, and the Government of India, especially the Honourable the Finance Member, deserve every credit for putting forward the case of India, and not the least, His Excellency the Commander-in-Chief himself. From what I can gather, I believe they have done their best, and it is up to them now that they should go on putting pressure on the British Government to do full justice to the poor people of India.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Army Department' be reduced by Rs. 100."

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, I thank you very much for giving me this early opportunity of intervening in this debate. I listened with great interest to the Leader of the Opposition when he expressed his views on how the Army Budget should be reduced. Sir, the Press has recently been flooded with a series of articles to show that the cost of the Army in this country is not really the figure quoted,—44 crores, but is about 34 or 35 crores. I have no doubt that the Army Secretary will today tell us how the expenditure, though on paper appears high, is really less. We will then be in a better position to assess his estimates.

My Honourable friend, Sir Abdur Rahim, laid great stress on the gift or, as he said, the just dues of India, of the two crores awarded by the Capitation Tribunal. He complained that we did not get enough. He has evidently forgotten the old saying: "He that expecteth nothing receiveth much, but he that asketh for much receiveth less or nothing". But, Sir, we have received something and I personally am very thankful that the finances of this country have been considerably eased by this grant of two crores. Sir, I will not belabour this point; because I do not consider that any gain will be secured by discussing the recent award of the Capitation Tribunal. This matter has been very frequently inquired into in the past, and I think we should gratefully accept the amount sanctioned. Sir Abdur Rahim continuing said that the British Army in India was mainly kept in India to safeguard Imperial interests. I think it would be more correct to say that the British Army in India, besides being a training ground for its troops and officers and incidentally also the graveyard of many officers, was a jumping-off ground which the British nation utilised for the military needs of the Empire. He struck a very true note when he stated that the retention of the British Army in India, besides being necessary for India's defence, was so imperialistic in character that it was not fair to impose the entire cost of this Army on the Indian Exchequer. Sir, it might interest this House if I were to repeat the speech I made on the floor of the old Legislative Assembly in the year 1922 when speaking on the general discussion of the Budget. Referring to the military expenditure, I said:

"We cannot in the present restless condition of India dare to reduce our Army, even by a single man or a single gun. This, of course, means a heavy expenditure and India must bear the burden. I admit that in regard to a necessary Army, the judicious expenditure of money, however big the sum be, is, in the long run, true economy, and that it is a dangerous practice to introduce in it a battle of 'efficiency versus economy'. Yet I have some misgivings on certain Departments."

Sir, the important part of that speech, if I may stress it, was this. Referring to army expenditure on the Frontier, I said:

"In this connection I would ask this House to remember the discussion which took place at the last Simla Session.....I remarked that the matter had an 'All-India' bearing, and that the Frontiers constitute the only spot geographical conformation has rendered vulnerable to attack or invasions from the North. With your permission, Sir, I shall quote from my speech on that Resolution. I said:

"The North-West Frontier, from the Pamirs to the Sea, is the most important land Frontier of the British Commonwealth and, for this reason, its defence and maintenance was not a matter solely of Indian importance. India, I submit, holds that Frontier not only for her own protection but to guarantee the integrities of Imperial soil."

I said that 'the day was not far distant when it would be widely recognised that India alone should not be called upon to bear the whole cost of defending this Frontier. That day, I believe, has come, especially when we recognise how great is the cost of maintaining and guarding this Frontier. . . . In it I see the greatest means of retrenchment in the Military Budget and I offer it for the very serious consideration of His Excellency the Commander-in-Chief. . . ."

I am glad to see that Sir Abdur Rahim in the year 1934 repeats exactly what I said in 1922. Sir, there is no doubt that, although I am one who does not believe in reducing the strength of the Army, I do believe that we can considerably reduce its cost without loss in efficiency. But, Sir Abdur Rahim went a little too far when he said that the British troops cost more and we did not need them in India. I am not at one with him there. I submit and I say without fear of contradiction that if the British troops were taken away from this country, in a very little time our rivers would be rivers of blood. In my opinion, the British troops are necessary for this country for many years to come and I do not think there is a single Member on the opposite side who would feel safe if they were removed. Sir, I refuse to ask the House seriously to consider a reduction in the British troops just now, but I do ask the Honourable Member seriously to consider means by which he can reduce the cost of maintaining that Army. We have in this House repeatedly shown the Army Secretary how he can reduce this cost; and I do hope, when the Army Secretary replies, he will deal with the various points that have been raised during the general discussion on the Budget. There is no doubt that we can reduce military expenditure by reducing our overhead charges. When I spoke on the General Budget Discussion, I referred to an important means by which we could reduce this expenditure. I suggested that an eight hour working day be demanded from all officers at Army Headquarters. That, I believe, has been variously criticised. Sir, while I do admit that although there are many Officers who are hard-worked,—and I know there are many who take work home,—yet I do believe that a majority of them or a large portion of them, who perform routine duties, leave all the responsible work to those few officers while they, themselves get off scot-free with just four or five hours work a day. If His Excellency the Commander-in-Chief would insist on eight hours work a day, the same as every other Government of India Department does e.g., the Railways, I think we could considerably reduce the staff at Army Headquarters. The questions that were asked today of the Army Secretary was another very fertile field in which retrenchment and economy could be effected,—I refer to the Army clerks. Sir, I do not see why you should entertain British Army clerks at such a high rate of pay; I believe that when the Indian Unattached List got their present enhanced rates of pay in 1927 or 1928, it was with the greatest difficulty that the Financial

[Lt.-Col. Sir Henry Gidney.]

Adviser to the Army recommended it. I believe two or three times this enhancement was refused and then in some extraordinary way it was passed, how I do not know. But I do believe that there is not a single officer in the Military or Civil Finance Department who will, today, deny that these British Army clerks, with one or two exceptions, are paid a wage which is really too high for the services they render; and I do think the Army Department should give this matter their serious attention.

I shall not repeat the remarks I made on the economy that could be effected in the military medical services. My oft repeated criticisms are there for the Army Department to accept or reject; but for the last nine or ten years, I have, on the floor of this House, repeatedly asked the Army Department to look into this means of retrenchment and to accept this measure of economy. But they have turned a deaf ear to it. They have always put themselves behind that convenient shelter—the Army policy. The Army policy, when you come to analyse it, is directed from the War Office in England. The Army is maintained by this country, and yet the personnel of it, specially in these attached or ancillary branches, are still controlled by the War Office. Sir, I do think that the time has come when the Army Department must kill those old prejudiced ideas which they have nursed and entertained about India and realise that they can get just as good service in this country from these ancillary branches as they can get from the rank and file of the British Army.

Sir, there is one point to which, I feel, I must refer before I sit down. It is a matter which I have not stressed for some time and it is this. When I signed the Joint Memorandum we submitted to the Joint Parliamentary Committee, I was one with my Indian friends in demanding a larger measure of responsibility being given to the future India, but I realised then and I realise more so today than ever, that, while we are crying for Indianisation, no real effort is being made to give the members of the Anglo-Indian and Domiciled European community even a little niche in the new Army and the defences of India except an occasional officer in the Indian Army. I know Members on the opposite side will say that they are prepared to take Anglo-Indians into rank and file of the Indian Army if they are prepared to accept the same wage that an Indian soldier receives. Sir, on the floor of the House and without any desire to enter into a controversy, I frankly admit it is impossible for an Anglo-Indian or a Domiciled European lad to live on the small wage of the Indian soldier. You on the opposite Benches have your views on this point and I have my own views. The question is, whether the Army Secretary realises the great part this community has played in the military development of this country from early days till today? (Interruption.) I do submit that that is a fact, and for the Army Department now to say that by the enlistment of Anglo-Indians into the Indian Army the class homogeneity of the Army would be disturbed is all bunkum: again, for the Army Department to say that they cannot form an Anglo-Indian unit today shows an absolute lack of imagination; and for the Army Department or the Army Advisory Council to say that it would not be worth the experiment shows the basest ingratitude to a community that has for centuries served the country so well and loyally. I should here like to state that, three years ago, I succeeded in getting the Secretary of State for India on the recommendation of His Excellency the Commander-in-Chief, to sanction the formation of a small unit to be called a signal

unit. This sanction and the terms of service were in the process of being printed and becoming a *fait accompli* when the 1932 Indian Military Retrenchment Committee suggested its retrenchment, and the Army Department seized on it as an easy prey by which it could cut down its military expenditure, and thereby deprived the community of this small avenue of military service in its own country. Today thousands of young men and lads of the community—many of them being the finest specimens of boys you could wish for: educated in our finest English Public and army schools—are roaming the streets unemployed, and yet the Army Department refuses to make use of them even at a reduced cost. Why will the Army Department continue to refuse an Anglo-Indian unit? They are the sons of your own British soldiers and civilians and they have rendered yeoman service in the British Army during the war and the auxiliary force: they have shown marked evidence of martial ability and intense loyalty. Why cannot a small unit be formed in which the community would be allowed to share the military burden and take part in the defence of its own country?

I do beg of the Army Department to reconsider this my plea and to see that, whilst accepting this intense desire on the part of Indians to Indianise the Army, it will give some small niche in the future Indian Army that will be filled by a community that it has not only created, but that has served the British Government for centuries like a loyal and faithful dog.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Sir, in the short time at my disposal, I do not think I can enter into as much detail as I would like to in connection with this Army Budget. At the outset I should try to warn my Indian colleagues and friends that the Army Budget today is not Rs. 44 crores, but it is nearly Rs. 50 crores. I am thankful for the retrenchments that have been carried out and for the pressure so consistently and persistently put on the expenditure of the spending departments by the Finance Member and by His Excellency the Commander-in-Chief; and I am anxious, particularly in view of the fact that the Army Department has taken to publicity work, which I welcome, that the other side of the case should be equally well known to the Indian public. We often quote the Inchcape Committee report and we suggest that the 50 crores limit which Lord Inchcape and his Committee recommended has long since been passed and that today the Army expenditure is about 44 crores, or if we include the receipt of two crores from the Capitation Tribunal award, it is 46 crores. I venture very humbly to suggest that that is not the truth. Lord Inchcape and his Committee recommended that during the next financial year after their report, the net expenditure should be 57 crores; but the very next recommendation did not refer to a net expenditure, but to a gross expenditure; and all the confusion with reference to the Army Budget arises from the fact that Honourable Members do not know and do not differentiate between the gross expenditure and the net expenditure. If we read the report of the Inchcape Committee carefully, we find that they recommended that the gross expenditure after a few years should be 50 crores; and today, even if you accept the entire figure, as it is put forward in this Budget, the gross expenditure has just come to the figure of Lord Inchcape; but that is not the whole story. When the Inchcape Committee made these recommendations, the exchange stood at 1s. 4d. and all the payments we had to remit to the British Treasury were calculated

[Diwan Bahadur A. Ramaswami Mudaliar.]

at Rs. 15 to the pound. Today it is calculated at Rs. 13-8-0 to the pound. If you take the payments made to the British Treasury, it was somewhere about £25 millions, and excluding receipts somewhere about £20 millions for various purposes. I venture to think that about three to four crores were saved on the exchange alone, so that today the gross military expenditure of the Government of India is somewhere between 52 and 53 crores and we have not reached the figure that Lord Inchcape took into account. Besides, Lord Inchcape did not allow for the great fall in prices which has taken place today: he could never have dreamt in the days when he was examining the question that prices would fall as low as they are now.

Now, that is not to criticise the Army for what it has not done, nor even to show an inadequate want of appreciation of the efforts that have been made. But there are some departments in which I still have to reiterate on the floor of the House that the recommendations, which have been made by the Retrenchment Committee and which might have been carried out, have not been carried out. I referred last year to the medical services, and my friend, Colonel Gidney, this year has also referred to the question; and if you turn to page 94 of the Army Budget, you will find that, whereas in the last year's Budget there were 228 R. A. M. C. Officers and 324 I. M. S. Officers and 23 Dental Surgeons with King's Commissions, in the present Budget there are 232 R. A. M. C. Officers, or an increase of four; 320 I. M. S. Officers, or a decrease of four; and 22 Dental Surgeons, or a reduction of one. So that practically, the medical services budget has been carried over to this year unchanged and without any reduction, in spite of the fact that I pointed out in my speech on the last occasion that this branch of the administration of the Army required drastic reduction. In fact it was one of the points on which Lord Inchcape and his Committee laid a great deal of stress; and anybody, who knows the hospitals run by the Army and the number of persons who are in charge and the number of people treated and the scales of dietary charges and other matters, knows full well that this is a branch of the administration which does require a little more close scrutiny by the Financial Officers of the Military Department and by the Military Authorities themselves. I know it is a very difficult question to settle, and I know that unless the head of the Department is willing to co-operate, it becomes extraordinarily difficult; and, in spite of the bogeys that may be raised about health and preservation of the stamina of the soldiers and sepoys, I venture to think that there is a fruitful source of economy in this direction.

There are other sources also—I am sorry I have not got the time to go in detail into them—there is the question of the supply and transport corps: we suggested in the Retrenchment Committee that there was a distinction between the cis-Indus arrangement and the trans-Indus arrangement; and that, while certain arrangements were justified for the trans-Indus area, on the other side of the Indus in the North-West Frontier, those arrangements would not be justified on this side of the Indus. The reason is this: on the trans-Indus side, they are ready and prepared and they always have to be ready and prepared to march at a moment's notice, and they are in the position of covering troops really. Those in Bangalore and in the East Coast, in Calcutta and other places, are not in exactly the same position, and many of these latter Officers can be replaced by less costly staff and by Indian Superintendents in various

supply depots. I do not think anything has been done with reference to the organisation of that Department from that point of view.

Again, we went into the question of the various factories which are run by the Army to produce lethal weapons, and we suggested a drastic change in that expenditure. But the expenditure on army factories continues to be more or less the same as it was in the past. I should have liked that question also to be referred to in greater detail.

Sir, I should like to refer to one or two general questions of policy apart from these details; but before I do so, let me refer to one aspect which I dealt with last year. It is quite obvious that the number of horses, mules and ponies in the Army has been very considerably reduced owing to the mechanization of the troops, and yet we have year after year a large number of veterinary officers. My friend, Mr. Mitra, asked a question as to why Indians are debarred from being veterinary officers. My friend, Mr. Tottenham, took advantage of the fact that some of us are not able to differentiate between the various technical and technological terms of the Army, and gave what was then a convincing answer. I want him now to answer this question—there is no Indian holding a King's Commission in the Veterinary Services in India today. You can trust Indians to hold King's Commissions and treat human beings, but you cannot trust them to hold King's Commissions to treat the mules and horses, the ponies and donkeys of this country! That is a position which my friend, Mr. Tottenham, will find it difficult to press on the attention of the House in spite of his very persuasive logic and eloquence.

I should like, Sir, to refer very briefly to one or two questions of policy. My friend, Mr. Jagan Nath Aggarwal, in the course of his speech on the General Discussion, has already referred to the fact that in England there is going on a continuous vilification of the aims and ideals of some of us in this country who want to preserve British connection, and yet, at the same time, get our place in the sun. He referred in particular to a contribution made by a retired Civilian of the Madras Presidency,—I have unfortunately to admit it,—Sir Alexander Cardew, who held the position of a Member of the Executive Government there . . .

An Honourable Member: He was Governor for some time.

Diwan Bahadur A. Ramaswami Mudaliar: Yes, he acted as Governor of the Province. Sir Alexander Cardew, in the course of an article, quite appropriately to the *Morning Post*, says, after referring to the contribution of 1½ crores which is to be made yearly from British funds for the cost of the Indian defence:

"By another odd coincidence rumours come from India that 500 Officers of the Indian Army, men who placed their lives and fortunes at the service of India between 1914 and 1920, are shortly to be compulsorily retired. If these rumours are true, the position will be particularly interesting. Britain presents India with 1½ crores a year, and India in return turns off 500 British Officers. Their careers are prematurely cut short and sacrificed on the altar of the great God of Indianisation, one of whose high priests is Sir Samuel Hoare."

I want the Army Secretary to get up in his place in this House and categorically state that this is a most vituperative writing, absolutely malicious, grossly inaccurate, not founded on facts, not having anything to do with the question of Indianisation, that this is a problem for which no Indian has been responsible. The block in promotion has arisen immediately after the War, and it has no connection at all with Indians or Indianisation. That is only a sample, Sir, of the sort of calumny that

[Diwan Bahadur A. Ramaswami Mudaliar.]
is going on against my country and countrymen in the Honourable Member's fair, free, liberty-loving, democratic Great Britain.

Let me come to another question of policy on which I addressed my friend, Mr. Tottenham, the other day. I told him that the Secretary of State had repeatedly guaranteed that if the Indian army were to be used outside India and for purposes not connected with Indian defence, then according to the Secretary of State and our understanding of his assurances, that could not be done without the decision of the Legislature having been taken. I should like to explain to Honourable Members the present position. Under section 22 of the present Government of India Act, if the Army is used for purposes outside India and not connected with the defence of India, the House of Commons has to sanction that expenditure. This is an old section which has been carried on from the Act of 1858, and the reason for it is this. It is the prerogative of the Crown to declare war and make peace. Parliament has nothing to do with it. The only control that Parliament has got is in regard to granting supplies. Now, the Indian revenues are not voted by Parliament. The Indian expenditure is not controlled by Parliament. Therefore, Lord Derby and those who shaped this Act at that time felt that here was a power in the Crown to declare war and utilise Indian forces without any reference to Parliament, and that was a position which was against the whole scheme of democratic Great Britain. I venture to state, Sir, that it was not in the interests of Indian revenues that that provision has found a place in successive Government of India Acts. Sir, if I had the time, I would have quoted Lord Derby's speech showing that under the provision, as it then existed, the Crown can declare war against Russia, Afghanistan and even in Europe without taking the sanction of Parliament and utilising the revenues of India and moving the troops that were stationed in this country. It was against that contingency that the provision came into existence, but we have moved far away from that position. What is it that Honourable Members are doing now? I have repeatedly complained that the army is a secret book. We have got no report of the working of the army during a year. How valuable it would be if we were to know more of the army in which we are asked to take a pride and in which we are asked to take an interest if we were to be made aware year after year by an annual report showing how the army was used, in what services it was employed, whether for internal security or for external defence. We gather here and there petty rumours,—of some controversy in Kashgar, where our Consul is reported to have been attacked by some troops, some reports of a treaty having been made between India, Yemen and Great Britain. The terms of the treaty are mentioned in the House of Commons, but this House has not got the privilege of listening to it. I know that foreign policy cannot be discussed, but it seems to me that it is scandalous that when that treaty is not one of those diplomatic treaties of the old days which are kept secret and cannot be opened or seen by anybody, and that it is bound to be filed at Geneva according to our membership agreement at the League of Nations, my friend, the Leader of the House, does not think it worth while to mention even a single word about those treaties and he does not take this House into his confidence. If you go on in this way, if you do not give us any information about these things, how do you expect us to say "we are proud of our army, we are proud of its achievements, we are proud that the work of the army is being carried on in a most effective and effectual way"?

Now, Sir, my Honourable friend, Sir Abdur Rahim, has referred to the Capitation Tribunal Award. I am one of those who felt at a very early stage,—and my friend, the Finance Member, will bear me out,—that it was a mistake to refer the question of the apportionment of expenditure between Great Britain and India to this Tribunal. When he called a small Conference in the year 1931 and suggested that two questions would be referred to this Capitation Tribunal,—one, the question of capitation charges proper which has been under discussion for a number of years, and the second, the question of the amount of contribution which Great Britain should make for keeping up the British Army or some portion of the British Army for Imperial purposes in this country, I, along with Sir Tej Bahadur Sapru, Mr. Jayakar and several others, suggested that the latter question should not be put before that Tribunal, that no Tribunal could really be asked to express an opinion on a question of that kind, and the only body to which this question should be referred

The Honourable Sir George Schuster: May I remind the Honourable Member that several Members, who were present at that discussion, changed their views afterwards. The majority favoured the reference at the end.

Diwan Bahadur A. Ramaswami Mudaliar: It is our privilege to change our views unfortunately. The view that we had taken then, I think, was perfectly correct, and nothing has happened during the interval to justify our changing that view. Then, its decision would have been much more effectively put before the House and before the country. The decision would have shown that it has gone entirely against the Government of India, because it has not given a pie to the Government of India and that it has treated all the arguments and all the eloquent advocacy of British statesmen and Advocate Generals in England and in Bombay as merely worth nothing at all. By the fact that it has been mixed up with the question of contribution, there is an apparent impression that we have got something out of this Capitation Tribunal. We have got nothing at all. We have lost the entire case regarding capitation which for 14 years had hung in the balance and about which even the Government of Great Britain could not make up its mind. The Capitation Award,—I do not know which Member of the Committee was responsible for it and whether the two Indian Judges and English Judges acquiesced in that Award—the result is that a matter about which the Government of India and His Majesty's Government could not come to an agreement for 14 or 15 years has been treated to be a matter of such puerility, of such simplicity that the Capitation Tribunal turned it down without even a pie being presented to my Honourable friend, the Finance Member.

I should like to have an assurance from the Army Secretary on another question. Does it mean that any further commitments are made because we have received this amount of Rs. 1½ crores? Does it mean that the Indian Army has to be put on a certain standard of efficiency? Does it mean that the programme of mechanisation should be so adjusted and used that if this Army is really taken to the European countries or to any other place for imperial purposes, it should have that efficiency which is required for those purposes? Does it mean that we thereby guarantee that these troops will be equipped merely to the extent that it is necessary for Indian defence purposes, whether that defence arises out of the borders

[Diwan Bahadur A. Ramaswami Mudaliar.]

of India or within the borders of India, or does it mean that they should be so equipped that they could be used at any moment for the purpose, say, of an European war, quite apart from Indian defence?

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Diwan Bahadur A. Ramaswami Mudaliar: If that be so, then, this grant of Rs. 1½ crores would be a grant of a Trojan horse which would have more terrors for us in the future than we are now in a position to contemplate. I sound that note of warning. (Applause.)

Mr. G. R. F. Tottenham: Last year I attempted, in dealing with the Army Demand, to give a somewhat comprehensive review of the retrenchments that had taken place during the past few years, and in consequence I left myself very little time to deal with individual criticisms. This year there appears to be even less time than before, and I shall not attempt any similar sort of review

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can speak till a quarter past one.

Mr. G. R. F. Tottenham: Thank you, Sir. Also a great deal has been said this morning about the Capitation Tribunal, and if I were to reply to all these remarks, it would take the whole of the time at my disposal. I do not, therefore, propose myself to touch on that particular subject, partly because perhaps the Honourable the Finance Member may have a word or two to say about it, but also because I understand that a Resolution on the subject is at present pending in another place and His Excellency the Commander-in-Chief will deal with the whole matter at that time and will also be able to take into consideration the remarks made by Honourable Members this morning.

But I do wish to make a few general observations before dealing with individual criticisms. The first is about this sealed book business. Honourable Members have complained that the Army is a closed book to them, and they have insisted that they must know more about it. I am exceedingly glad to hear it. As I said last year, we on this side are only too anxious to open the book if any Honourable Members really wish to read it. I asked for suggestions last year as to how we could in any practical way help Honourable Members in that respect. From that day to this I have received no suggestions from Honourable Members. No Honourable Member of this House, with the exception possibly of my Honourable friend, Sir Henry Gidney, has asked me any query about how the army machine works or for information in regard to it, except—and I mention this with somewhat bated breath,—as to how the machinery works in order possibly to get an appointment for one of their friends. (Laughter.) However, we on our side have not been idle. We have, I think, made a beginning in the direction that Honourable Members wish, and I am referring now to the series of articles which are appearing at present in a large number of papers in this country. We in the Army Department and in Army Headquarters are responsible for those articles, and I can assure Honourable Members that we have spent a great deal of time and trouble in preparing them. I hope before long to place in the

hands of Honourable Members copies of these articles in pamphlet form. Meanwhile, I do hope that Honourable Members will read them and discuss them as they appear in the press. They contain answers to practically all the general arguments that are raised in this House and some of the particular arguments that have been mentioned this morning. I do not pretend or hope that those answers will be accepted in every case, but I do hope that they will stimulate interest in this matter and that the articles will show that we on this side are anxious, so far as we can, to open the first few pages at any rate of this sealed army book. I can assure Honourable Members, who wish to read it, that they will have a great many pages to read before they have finished. I may also say, as I have said before, that His Excellency the Commander-in-Chief fully realises that the Army in India is paid for by the Indian tax-payer and that, therefore, the elected representatives of the tax-payer have every right to know how their money is being spent. His Excellency has often said to me: "I have nothing whatever to hide; in fact, I am confident that the more Honourable Members know about the Army and its doings, the less will be the criticisms of the expenditure on it." His Excellency is prepared to arrange for meetings with Honourable Members if that idea appeals to them, and we shall certainly follow up the suggestion that has been made by my Honourable friend, the Diwan Bahadur, this morning with regard to the publication of an annual account of the doings of the Army during the year. I may say, even now when operations take place, we do arrange daily press conferences and we give the press as much information as we possibly can. Also, of course, it is the usual practice for His Excellency to write a despatch on operations of any importance, and that despatch is generally published. I am quite aware that the despatch may be rather technical, and we will certainly look into the suggestion that my Honourable friend has made this morning.

I must also say a few words about the general level of defence expenditure compared with the various estimates that have been made and compared with the pre-war level. Honourable Members will find that the whole of this subject is dealt with very fully in the articles to which I have just referred, but I think the real point is this. During the last 20 years there has been an enormous increase in the standards of expenditure, both public and private, and although prices may go back to and possibly remain at pre-war levels, it will be some time before those standards of expenditure follow suit. Meanwhile, there are certain facts which are, or should be, of direct interest to Honourable Members, and I make no apology for repeating what I have said before. England and India are, I believe, the only two countries in the world which have decreased their fighting forces in comparison with their strengths before the War. I believe in England there are now two regular divisions less than there were before the War, and in India we have reduced by something like 50,000 fighting men; and yet the cost of these smaller Armies of today is greater than the cost of the larger Armies before the War. This is due to a large number of reasons which I could not possibly explain in the short time at my disposal, but amongst them there is the undoubted fact that India has developed her administrative services to an extent to which my Honourable friend, the Diwan Bahadur, takes some objection. It is generally recognised in Army circles that, if you are to have a proper Army, you must have a proper balance between your fighting services and the administrative services; and they generally take a ratio of about two to one. That is to say, if you are carrying out retrenchment, two-thirds

[Mr. G. R. F. Tottenham.]

of that retrenchment must fall on the fighting troops and one-third on the administrative services, if you are to preserve the proper balance. And that, Sir, is what we have been attempting to do during the past four or five years. Anyhow, the fact remains that before the War the expenditure on the Army and Air Force in England was about 28½ million pounds, and today it is about 55½ million pounds, that is to say, there has been an increase of about 93 per cent. In India the corresponding expenditure before the War was about Rs. 28½ crores and at present it is something under Rs. 44 crores, if you omit expenditure on the Royal Indian Marine, that is to say, there has been an increase of under 55 per cent. In other countries, to take one or two examples, in Japan, for instance, military expenditure has more than doubled itself, and, in the United States of America, it has nearly trebled itself. That, Sir, is one fact.

Another fact, which, I think, Honourable Members ought to realise, and, regarding which I make no apology for quoting from the 1 P.M. articles that I have referred to, is this. When people talk of the enormous increase in defence expenditure since 1914 and the very large proportion of the revenues of the country that are devoted to that purpose, they imply, consciously or unconsciously, that the position in this respect has grown worse and worse since before the War. They isolate this particular aspect of the national expenditure and forget to look at the picture as a whole. Actually the implication just referred to is the reverse of the truth. India today spends a smaller proportion of her revenues on defence than she did in 1914. In 1914, the total net revenues of India amounted to just under 87 crores of rupees. The corresponding figure in 1932-33 was 174 crores. That is to say, there has been an increase of 100 per cent. During the same period, defence expenditure increased from 29 crores to 46½ crores, that is to say, by a little over 61 per cent., while civil expenditure rose from 58 crores to 128½ crores, that is to say, by about 121 per cent. The proportion of the net revenues of the country devoted to defence fell from 34 per cent. in 1914 to 27 per cent. in 1933, while the share of the civil departments over the same period rose from 66 per cent. to 73 per cent. These figures deserve careful study.

Now, my Honourable friend referred to the estimate given by the Incheape Committee, and I would also add to that an estimate given more recently in regard to the defence expenditure of this country. Sir Walter Layton, who advised the Simon Commission, gave it as his opinion, I believe, that if Burma were separated and were to undertake the cost of her own defence, which was estimated then at about three crores, the Army Budget might conceivably fall to 49 crores in 1933 and 45 crores in 1940. Well, Sir, we are here today in 1934. Burma is not separated and our expenditure is actually below 45 crores. That, Sir, is an important point.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): May I ask the Honourable Member what is the percentage of the expenditure on the Army as compared with the income of the country.

Mr. G. R. F. Tottenham: The figure is 27 per cent. of the total expenditure.

Mr. A. Das: And in England?

Mr. G. R. F. Tottenham: I have not got the figure here.

Now, Sir, I must turn to certain individual criticisms that have been made. My Honourable friends, Colonel Sir Henry Gidney and Diwan Bahadur Ramaswami Mudaliar, have referred to medical expenditure, and, in doing so, I think they have put their finger on what to me certainly appears to be by far the most difficult and complicated problem that confronts the military authorities at the present time. As a result of criticisms that were made in the Assembly last year, we appointed a special Committee in Army Headquarters to go into the whole question of medical expenditure from the point of view of readiness and preparedness for war. That, Sir, was only one aspect of the problem. The recommendations of that Committee are still under consideration. I hope that they will lead to a certain economy at any rate in expenditure on stores, but the general opinion of those who are directly responsible for the health and efficiency of the Army seems to be, I do not say that the Government of India have accepted that view, that we are not at present over-insured in this matter. Of course it is impossible for us to forget the Mesopotamia Commission, and I would like to read to the House now an extract from what Mr. Balfour said in the House of Commons when the report of that Commission was discussed there. What Mr. Balfour said was this:

"When the war is over, in a very few years, you will find what the Commission called an atmosphere of economy again creeping over us and Honourable Members opposite will be equally unable to imagine that a new catastrophe will require as great efforts from them and the taxpayers they represent."

I do not mean to suggest for a moment that any such catastrophe is imminent, but there is the inexorable fact that any army in the world must have a larger supply of medical officers and medical personnel in war than it has in peace; and there is also the fact that we cannot possibly face a breakdown in our medical arrangements such as that which occurred during the last War. Then, Sir there is the question of the future of the civil side of the Indian Medical Service, and it is on the civil side of the I.M.S. that the Army at present depend very largely for their reserves. That is a matter that raises the most complicated issues, which have been considered very carefully during the last two or three years. On top of that comes the report of the Warren-Fisher Committee, to which my Honourable friend, Colonel Gidney, referred the other day. That report suggests an entire innovation in the organisation of the Defence Medical Services. It suggests that we should employ a number of short service officers for a period of five years, and that, after that period, we should discharge a number of them with handsome gratuities, and that we should keep on the remainder. That would enable us to reduce the regular cadre and to improve the conditions of service of those who remain. Well, a scheme of that kind might produce ultimately considerable savings in pensions, but there are very grave difficulties in applying it to India, especially to the Indian Medical Service; and there is no doubt that to begin with anyhow it would involve us in considerable extra expenditure. I can assure the House that we are very carefully considering all these problems so far as we are able to do so along with our other multifarious duties. It may be that some radical reorganisation is required of the Medical Services in India and it may be that we ought, in this country, to have our Warren-Fisher Committee corresponding to the Committee in England. If that is so, we shall not hesitate to take such steps.

[Mr. G. R. F. Tottenham.]

Meanwhile, there are one or two special aspects of the problem about which I should like to say a few words. One reason why the extent of retrenchment in the Medical Services has not come up to expectations, I should like to explain. The calculations as to the savings to be secured from particular proposals were made on the authorised strength of the establishments as they then stood, and not on the actual strength; and the fact was that in nearly all those establishments the actual strength was at the time considerably under the authorised strength. Therefore, the actual savings secured have not been so great as might have been expected. Then, Sir, there is the question of the Indian Medical Department which my friend, Colonel Gidney, raised the other day. I may say at once that we entirely agree with him that we ought to make a great deal more use than we do of the Indian Medical Department. We ought to have realised that fact some years ago. We were actually engaged in considering this possibility when the report of the Warren-Fisher Committee came along and for the moment threw the whole matter back into the melting pot, but a consideration of the report of that Committee shows that it will be all the more necessary for us in future to make more use of our indigenous material, and I can assure my Honourable friend that we shall give the matter our careful and serious consideration.

Then, there is the question of the nurses which my Honourable friend raised. He gave us some figures which were not altogether correct. He told us that nurses in England received a pay of £70 a year, whereas in India we pay them Rs. 300 a month. Actually it is a fact that the pay of British nurses in England is in the neighbourhood of £70, but in addition to that they get all sorts of allowances,—board and lodging, uniform, fuel, and so on—and I am told that if these are all added on, their net emoluments will be somewhere in the neighbourhood of £170 a year. Then, Sir, the pay of British nurses in this country is not Rs. 300. It is Rs. 265, which is somewhat less. Sir Henry Gidney went on to suggest that, if we were to use Anglo-Indian nurses, we should secure very large savings. There, again, he omitted to mention that the pay of the Anglo-Indian nurses, whom we do employ in our Indian Military Nursing Service, is Rs. 225, which is only Rs. 40 below that of the British nurses. Then, again, it must be remembered that, not only on the military side, but also on the civil side, there is considerable difficulty in securing an adequate supply of fully trained nurses in this country. When I was Retrenchment Secretary in Madras, I had exactly the same trouble about nurses there. It struck me and it also struck the members of our Retrenchment Committee there that the nurses in the hospitals in Madras were receiving very high pay and in addition a very large number of allowances. We made inquiries and we were assured by those responsible that if we reduced their pay and allowances by one pie, the supply would fall off and they would be unable to get the numbers they required.

Sir, there are many other points that I should like to deal with. There was the question of the Indian Army Veterinary Corps. I should like to make it clear that there is nothing political in the matter of the entry of Indians into the Army Veterinary Corps. The Corps is open to Indians, and there is no intention of debarring them from entering it. The fact simply is that so far there has been a difficulty in getting Indians with the M.R.C.V.S. qualification for the vacancies required. We

have got one Indian officer now and we are shortly going to issue rules which I hope will bring in a number of other Indians. Then, there was also the question of the Supply and Transport Corps. I cannot go into details, but I may inform my Honourable friend that we have stopped the recruitment of British Other Ranks in the I.A.S.C., and that will considerably increase Indianisation in due course.

Now, I must say a few words about the point, my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, raised—that is, the war block of officers—and I should like to say at once, and to make it perfectly clear, that this problem has nothing whatever to do with Indianisation or with the receipt of the contribution of £1½ million; and anyone who said so merely showed complete ignorance in associating those two things together. The fact is that this problem is a self-contained problem—and a problem of the most serious dimensions—that has been left to us as a legacy from the past. It arises from the fact that in the Indian Army, Officers are promoted on a time-scale, whereas Officers of the British Army are promoted by vacancy into a fixed establishment. This fact, combined with the natural fact that the intake of Officers during the War was considerably greater than the normal intake, means that we are faced with the fact that before long we shall have a considerable surplus; indeed a large surplus, of senior Officers on the higher rates of pay. It is true that after the War the services of a certain number of Officers of the Indian Army were dispensed with; but not enough. Since then we have tried various voluntary schemes with a view to reducing the surplus, but those schemes also have failed to produce the desired result. Now, there are several alternatives open to us. One obvious alternative is that we might continue the voluntary basis and increase the generosity of the terms offered. Another alternative is that we might resort to compulsion. The whole of this question has already been canvassed fairly fully in the press, and I am particularly anxious at the present moment not to say anything which might possibly create false fears or promote false hopes. All I can say is that the whole matter is being examined very carefully and sympathetically by the Government of India. The Government of India have not yet reached their conclusions. When they have done so, they will forward them to the Secretary of State. It must be several months at least before any announcement on the subject can be expected. Meanwhile I can assure the House that, in considering this problem, we are fully alive to all our responsibilities in the matter—our responsibilities to the Indian tax-payer, our responsibilities to the Indian Army, and the need for preserving its efficiency and popularity, and, above all, our responsibilities to the individual Officers themselves who have a special claim on our consideration because they joined the Army during those critical years of the War.

Now, there is the question of the employment of troops overseas to which my Honourable friend, the Diwan Bahadur, referred. I am afraid I cannot add very much to what I said on this subject the other day during the debate on the Navy Discipline Bill, but I can assure the House that the views of His Excellency the Commander-in-Chief and of the Government of India are sympathetic in this matter. The fact is that neither His Excellency the Commander-in-Chief nor the Government of India have ever regarded that statement by the Secretary of State which my Honourable friend referred to as a definite pronouncement of policy on this subject. It has been assumed here that, so long as the subjects of defence and external relations are reserved subjects, it would

[Mr. G. R. F. Tottenham.]

be constitutionally impossible to give the Legislature or the Federal Ministers of the future the final voice in any matter which fell within the sphere of those reserved subjects. However, Sir, now that the matter has been specifically brought to our attention and we understand that the members of the British Indian Delegation attach great importance to the statement by the Secretary of State, we shall certainly have to take the matter up with the Secretary of State and get the position made entirely clear.

My Honourable friend, the Leader of the Opposition wished for certain information about the Frontier and asked for statistics which, I am afraid, I cannot supply at the moment; but I can supply him with some interesting figures regarding the cost of operations on the Frontier. Before the Great War, there was a considerable period when under the old policy our average expenditure on Frontier Operations was in the neighbourhood of Rs. 50 lakhs a year. Immediately after the War, there came the Third Afghan War and the Waziristan Operations. The cost of these was in the neighbourhood of 11 crores a year. Since then, during the last ten years, our average annual expenditure has dropped from 50 lakhs to something in the neighbourhood of 10 lakhs or under. That, I think, does show the success, from that point of view, of the policy that is at present being pursued.

I do not think I have time to say anything more this morning. I hope Honourable Members will sympathise with me in the almost impossible task of having to defend the whole of Army expenditure and policy in the short space of half an hour. I hope they will also forgive my many shortcomings in matters that I may have left out. I can only say, I should be glad to discuss with Honourable Members individually any points that they have raised and to which I have not replied. Above all, I do hope that although this motion has been moved by the Independent Party, it will be realised that our attitude in this matter is not one of independence, but one of responsive co-operation. (Loud Applause.)

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 Sir Shanmukham Chetty) in the Chair.

Sardar Sant Singh (West Punjab: Sikh): Sir, I thank you very much for giving a very healthy ruling the other day that the Government Members should intervene at an early stage in the debates so that this side of the House may know the mind of the Government and be enabled to meet the Government case. There is no doubt that this imparts a sense of reality to the whole debate. The Honourable the Army Secretary agrees to open a gate of the Army Department which he himself termed last year in his speech as a dark dungeon. Today he has given a happier analogy of opening a few pages of that book to the view of the Members on this side of the House. The Honourable the Army Secretary has accepted responsibility for publication in the newspapers of certain articles

dealing with the defence question. It is a matter of gratification that the Government have felt the necessity of taking the public into their confidence so far as the defence policy of the Government of India is concerned. But probably the Honourable the Army Secretary did not realise that the newspapers published those articles in dribblets and it may or may not be within the cognizance of most of us that those articles have been published. So far as I know, only one article has been published in Delhi in the *Hindustan Times*. Even the *Statesman* has not published those articles, with the result that we on this side of the House are not aware of the full defence of the Government of India. My point is that we, who come to this House to level certain criticism upon one of the most important Departments of the Government of India, are entitled to know the defence of the Government of India in advance. It was the duty of the Army Department to have supplied copies of those articles in advance to the Members of this House, so that they might have come prepared to meet the arguments, if necessary, in those articles. I will respectfully ask the Honourable the Army Secretary to enlighten this House on this point: why did he not think it necessary or proper to supply the copies in advance to the Members, so that they might have come prepared to meet his arguments on the floor of this House? The press may be a great means of propaganda for the Government, but the Government must realise that we, the Members of this House, have a prior claim on Government, and not the press. If we are not satisfied with the Government case, it is our duty to oppose the Government so long as the Government do not convince us of the genuineness of their case and we must cast our vote against the Government.

Coming to the second point, the Honourable the Army Secretary has said very little to the charge levelled against the Government from this side of the House, the charge being that the military policy of the Government of India is not the policy of the Government of India, but it is dictated by the War Office. If I am permitted to quote from his speech of last year, which he made in reply to a similar motion of my Honourable friend, Mr. Sitaramaraju, this is what he said:

"The responsibility lies primarily upon the Government of India and their expert adviser, His Excellency the Commander-in-Chief, and ultimately upon His Majesty's Government who are responsible for the safety of the whole Empire."

From this extract it is clear that the responsibility for the maintenance of such a big Army in India is not on the shoulders of the Government of India alone, but it rests ultimately with His Majesty's Government in England. This one sentence conveys that the responsibility is not in the interests of India alone or for the requirements of India alone, but for the safety of the whole Empire. The position is this. Why should India pay for the safety of the whole Empire? We have a serious objection to this aspect of the question. We, in all fairness, ought only to pay for that portion of the British Army which is for the good of India. It is claimed that the Army in India is meant for two purposes, maintenance of internal tranquillity and for external defence. So far as the question of internal security is concerned, my submission is that we do not require such a large Army or such an expensive Army. In this connection, I may say that I do not agree with His Highness the Aga Khan in what he said as a representative of the British India to the Disarmament Conference. He is reported to have said:

"India's scale of armaments allows no margin for aggressive uses"

[Sardar Sant Singh.]

—and that—

“in India we have constantly borne in mind the underlying principle, namely, the maintenance of force that shall be no more than adequate to guarantee peace and order on and within her border.”

This appears in the *Modern Review*. I know that it is invariably given out that the Army is kept for the internal security of India. But, as a matter of fact, Lord Curzon's expression about the duties of the Army in India is more correct than the views of His Highness the Aga Khan. Lord Curzon denied that the purpose of the Army in India was merely to maintain internal peace, and declared that it was also intended to fight the battles of the British Empire. With this object in view, it was kept in readiness to start at a moment's notice for any part of the world. That is a correct expression of the purpose for which the Army is kept in India. My submission, therefore, is that if the Army is kept for the purpose of the Empire, as was made out by the Army Secretary last year, it is not in the interest of India that she should bear the whole burden of the expenditure. In order to illustrate the position that the whole Army is not for the purpose of maintaining the internal security, I may refer to the replies given on the floor of the House when a question was put to the Army Secretary as to how many times the Indian Army troops were called out in 1930, a year of great disquiet, to maintain the internal tranquillity, the reply was that it was only six times and that about 2,500 troops were called out and that too not at one time. Therefore, it would appear that the purpose of the Army in India is not to maintain internal security alone. We on this side of the House expect that we should not be made to pay for the Army which is not here solely for our protection. The Honourable the Army Secretary, at the end of his speech, appealed very forcefully to us that we should respond to the co-operation that is offered by the Army Department. Probably the Army Secretary did not realise the gravity of the appeal that he was making to us. There can be no doubt that we in this House are here in order to give our responsive co-operation, but can the Honourable the Army Secretary say that the same responsive co-operation is forthcoming from the Government side? May I know if the Army Secretary is going to take up the responsibility of responding to the co-operation which is offered from this side of the House? Our one complaint is that the Government do not respond and have never responded to the co-operation offered from this side. The Honourable Member will be shouldering a great responsibility if he can so speak for his Department. You know, Sir, that the whole military policy is controlled by the War Office and not by the Government of India. If he responds to us, he cannot respond to the War Office, for he cannot serve two masters at one and the same time.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Sardar Sant Singh: I will, Sir. If I take him at his word, may I ask him, if he really wants responsive co-operation, is he prepared to lay before this House all the papers which the Government of India placed before the Capitation Tribunal, so that this House might understand to some extent the case that was laid before the Capitation Tribunal? If he is not prepared to do so, then it will not be far from truth to say that he tries to hood-wink this House and that all his talk of responsive co-operation is merely a high sounding expression. We are prepared to offer co-operation

from this side of the House if we can expect the same responsive co-operation from the Government side.

One point more and I have done. My Honourable friend said that, in the Veterinary Department, he was prepared to accept Indians to replace the European element. I have just received a letter from a gentleman in the Punjab who writes to say that the same assurance was given in this House in reply to Dr. Moonje's demand and so far nothing has been done in the matter. Qualified veterinary doctors are available in the Punjab who are ready to replace the British element. If they are not taken, at an early date, there is a danger of their being age-barred. Therefore, I submit that this House should make it quite clear to the Honourable Members on the other side that we are very serious in this matter and we do not want that the Indian tax-payer should be burdened with the cost of the maintenance of a big Army in India.

Hony. Captain Rao Bahadur Chaudhri Lal Chand (Nominated Non-Official): Sir, I am one of those who sincerely hold, and rather strongly, that this Government is very expensive and the expenses should be cut down everywhere as much as possible. There is a sincere feeling, that some of these services are over-paid and over-staffed. There is over-lapping everywhere, both here as well as in the Provinces, and it is costing the tax-payer very much. As a result of this House pressing for economy, the Government have taken some measures to reduce the expenditure everywhere, but it can safely be said that there is room for more economy in every Department. In this connection, however, if we examine the figures carefully, we come to the conclusion, that if there is any Department which has faithfully carried out the instructions of this House, which has shown marked co-operation with the intentions of this House, it is the Army Department. They have brought down their expenditure to 44 crores which was probably not even in the minds of those who pressed for economy at the early stages, because this drop is not from 50 crores, but from 68 crores as was after the War. So, instead of feeling grateful to the Army Member or to those who are responsible for bringing about this state of affairs, it is most deplorable that we should have chosen this very Department for such a cut.

There is only one aspect of the question to which I wish to draw the attention of the House. Indianisation is going on in every Department and fairly rapidly. Of course we are pressing for greater speed, and it is hoped that in course of time the speed of Indianisation will be accelerated. What we see in the Army Department, is that, unlike in other departments, they have fixed the pay of Indian officers differently from the pay of people recruited in England. The other day the Army Secretary was questioned on this point, rather differently of course, and he gave the reply that the pay and salaries of cadets that would be commissioned from Dehra Dun, would not be the same as those that would come from Sandhurst. There is a lesson here for other Departments to learn. What does the Indian tax-payer gain if Indians who take the place of Europeans get the same salary? He is not relieved at all. One is coming from a distance of 5,000 miles to serve in a different country under uncertain conditions, and is entitled to a higher pay; but there is no point in giving the same salary and insisting upon the same monetary prospects for a man who is serving in his own country.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions, Non-Muhammadan Rural): Let them not take the trouble of coming here.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: Well, that day is far off when we will be relieved of them, and if they themselves go away, I may remind my Honourable friend, that the state of things here will be sadder than he can depict in his mind's eye.

Sir, I was referring to the expenditure that was being incurred by Indianisation of the services. Now, the ordinary tax-payer does not gain anything if the Indian incumbent of the post gets the same salary as the Englishman. The conditions of the two are different. One is serving in a foreign country under very uncertain conditions, while the other is serving in his own country. To give one example, in order to show the absurdity of the thing, I may point out that I have known a case where an Indian gentleman, who was an Imperial Service Officer, was serving not only in his own Province, but in his own district, and was drawing overseas allowance. He had never crossed the sea, and he had not even seen the sea, because he had not been to Bombay even, and the only place where he had seen the sea was on the map while he was at school. Of course that absurdity has been removed now, but the fact is that Indianisation is costing us the same amount as we were paying before.

There is another aspect which I cannot ignore while on this subject. Indianisation is another name for urbanisation. There are some people who have got a monopoly of these services and the ordinary tax-payer does not get his share. But this is a very broad subject, and I will not take more time of the House than merely referring to it.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Have they got a monopoly in the Army services too?

Hony. Captain Rao Bahadur Chaudhri Lal Chand: My Honourable friend, Bhai Parma Nand, complains of a monopoly in Army services. Before the Great War, there was a monopoly of certain classes in the Army. They fought the Great War, they made a name, not only for India, but for the whole Empire. They fought not only on Indian frontiers, but they went out, and, by their heroic deeds, made India's name what it is today. After the War there was a period, which lasted till the beginning of 1932, during which the Government of India looked as if they were paralysed. The agitators were pressing the Government of India from all sides and the Government of India thought the power was slipping out of their hands. In those moments of semi-consciousness, lasting for about 12 years, the Government of India changed their policy so far as Army recruitment was concerned; and if my Honourable friend, Bhai Parma Nand, or my Honourable friends opposite, move a cut on this change of policy, I would be prepared to go into the lobby with them even if it is a censure on Government. In this change of policy Government have done more than what even the extremists wanted. In 1928, this very House passed a Resolution that the Indian Officers in the Army Department should be drawn from the different classes in proportion to the number of recruits that they supplied. According to that view, each community or each class could claim Officers according to the number of recruits they were to supply. Now, a change has been brought about during this period as a result of the recommendation of several Committees,—including the Skeen Committee of which Sir Abdur Rahim was a member,—that now Soldiering is to be done by the military classes, and Officering is being done or is to be done by non-military classes. The Government are welcome to do research work in this, but surely they cannot play with a whole country, and with

the whole of the Indian Army. What they should do is to select certain units and try this experiment in those units. Otherwise, if, during the period of this research work, any great war comes and India's safety is in danger, future generations will blame us for not having brought this to the notice of the Government of India and for having allowed this change to take place. Sir, I was not going to refer to this question if my Honourable friend, Bhai Parma Nand, had not pressed me to do so.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should now conclude.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: Sir, efficiency can be sacrificed in any other Department, but certainly not in the Army, and not even in the name of *economy*.

I will now, with your permission, refer to the calls that are being made upon the Army, and I will read an extract from an article in a paper to which reference was made by the Army Secretary:

"47,000 troops were used in the operations of 1930-31 against the Red Shirts and Khajuri Plain Afridis. The terrorist movement in Bengal has made it necessary to transfer two brigades to that part of India and it is hard to say how long they will have to stay there. In addition, troops stood by or were engaged in the prevention or suppression of internal disorders on 118 occasions in 1930-31, 103 occasions in 1931-32 and 29 occasions in 1932-33",

and so on.

This is a fresh call upon the Army, and I hope the Honourable the Army Member will bear this in mind that a simple craze for popularity should not allow him to sacrifice the efficiency of the Army at all.

The Honourable Sir George Schuster: Sir, like every other Honourable Member, who has taken part in this discussion, I speak under the handicap of shortage of time, and that really makes one's task in dealing adequately with all the wide issues, that have been raised, an extremely difficult one. I am going to confine myself practically entirely to special points where specific questions have been raised. I will deal with the speech of my Honourable friend, Mr. Ramaswami Mudaliar, first.

One of the points which he made was that we have not yet really achieved even the standard of economy which was set up by the Inchcape Committee. I hardly think it is really very material to consider whether or not we have achieved a standard set by a retrenchment committee which examined these matters a very long time ago. We certainly would not ourselves take our stand on a position of that kind. But as my Honourable friend has raised the point, I must say something about it. First of all, he made, what, I hope he will excuse me for saying, was a mere debating point, a point hardly worthy of the rest of his speech. He said that the Inchcape Committee had made recommendations which would bring about a reduction in the total net budget to 57½ crores in 1928-24, and that they further stated that they thought that the military expenditure after a few years ought to be brought down to a sum not exceeding 50 crores. He said they talked about net expenditure in the first place quite expressly, and, therefore, as they did not expressly say net in the second place they meant that the 50 crores should be 50 crores gross. I would invite my Honourable friend to read the whole of the

[Sir George Schuster.]

passage on military services: he has quoted from the summary of recommendations at the end, but if he reads the whole passage, I think he will be unable to avoid the conclusion that they have throughout spoken of net expenditure and made no distinction between net and gross expenditure. I invite my Honourable friend to read the report again and, I am sure, he will not raise this point again. Apart from that, I want to say a few words on that question of net and gross expenditure. We always talk, when we talk in connection with the budget about military expenditure, in terms of net expenditure, and net expenditure really gives us the figure that we require. On the receipts side, there are two important classes of items. In the first place there is now that big payment of two crores on account of the military contribution which comes from His Majesty's Government. That, of course, has swollen the receipts side in the next Budget very considerably. Secondly, there are a number of items of expenditure in India. The most important class of receipts are receipts from sale of stores, grass and dairy farms—27 lakhs—, medical stores to civil—34 lakhs—, ordnance and clothing partly to Army personnel and partly to other Governments—83 lakhs—, provisions, grant, etc.—18 lakhs. The total of these items comes to 164 lakhs which is about 3/5ths of the total receipts on the Indian side. In all those cases, those receipts represent the sale of articles which it costs money to produce; and the cost of producing which is included in the expenditure side of the Budget. If there were no market for these articles, they would not be produced, and there would be a corresponding saving on the expenditure side. It suits the Army to have a larger turn-over and to increase its production in that way and dispose of a certain number of articles outside. I think my Honourable friend will admit that in view of these circumstances—seeing that on the one side the gross expenditure goes up if the sale of these articles increases while the receipts on the other side also go up,—it is the net expenditure figure that we want to look at.

Another similar large item in the receipts side as recoveries on supply of water and electricity—23 lakhs—which again represents recoveries for services rendered which are represented by items of expenditure on the expenditure side. The Army authorities are always ready to give the fullest possible information on all these points, and I think my Honourable friend, when he goes into the matter, will satisfy himself that it is the net expenditure figure that really counts.

Then, my Honourable friend gave another figure—I forget in what connection he brought it forward—but obviously it must have suited one of his arguments: he referred to the Army expenditure in England being on the scale of something like £25 millions. I do not know where he got that figure. The net disbursements in England are 8.84 lakhs in the next year's Budget or about £6½ millions, and, therefore, if my Honourable friend based an argument on the fact that they were spending £25 millions in England, I am afraid his argument was not worth very much.

Another point made by my Honourable friend was that out of the whole Tribunal which was originally contemplated as a Capitation Rates Tribunal, we got absolutely nothing on the strict Capitation Charges issue, and he put that forward as an illustration of the failure of the whole of our tactics in this matter. As a matter of fact, my Honourable friend was not strictly correct, because, as regards the Capitation Charges, we gained £150,000 per annum, that is Rs. 20 lakhs, on the Army charges,

while we lost £92,900 on the Air Force charges, so that we actually had a net gain of £57,000 on the whole Capitation issue taken by itself. But the issue really went much further than that, and I want to remind the House of this that as regards the Capitation Rates dispute we went to the Tribunal on the defensive. The whole position for the last three or four years had been that we had been resisting most persistent demands for an increase in the charges on behalf of the War Office and I think I am disclosing no secrets when I say that for the last two or three years—it really goes back further than that, because the issue came up almost immediately after I myself came out—the India Office had been advising us to agree to an additional payment of £300,000 per annum, that is to say, 40 lakhs, as a compromise which would enable it to get out of an awkward situation very cheaply. We have escaped that charge, we have resisted that demand, and we have established our case, and in fact even on the Capitation Charge issue by itself we have gained £57,000 per annum. I cannot regard that as a failure. My Honourable friend thought that it was a tactical mistake to raise the other issue before this Tribunal. Well, Sir, a tactical mistake which leaves one with a net gain of very nearly two crores is a sort of mistake which I am rather glad to make, and I should always be glad to have opportunities of making mistakes of that kind. I think, Sir, that by raising that other issue we assured ourselves of a really substantial success which on the Capitation Charge issue alone we could not achieve.

Now, Sir, reverting to the speech made by my Honourable friend, the Leader of the Independent Party, before I turn to his main issue, I just want to deal with one or two points. One of the questions which he asked was "What about the Frontier policy? Are the Government of India getting any benefit from this so-called policy of peaceful penetration; are they continuing their efforts at economy on the Frontier"—and I think probably my friend, in mentioning that matter, had in mind not merely military expenditure, but the whole of the connected expenditure which comes under the head "Watch and Ward". Well, Sir, the Army Secretary has given certain figures to show how the cost of annual raids and operations of that kind has gone down. As regards Frontier Watch and Ward, I am not in a position to give the House exact details today, but I can assure my Honourable friend that we are persistently following up that issue, that we have throughout the last year been in close contact with the officials on the Frontier on the possibilities of further reduction in expenditure under the head of "Frontier Watch and Ward", that we already have quite substantial economies in view, and that we shall not cease. the Government of India will not cease, to pursue that matter, for they recognise that it is one of the areas of expenditure in which a further economy should be sought.

Then, another point raised by my friend was as regards the remarks which I made about the basis of the present Army Budget. I pointed out that the present figure of 44 crores and 38 lakhs should not be regarded as a permanent level of standing charges for the Army. In putting those considerations before the House, I was influenced entirely by the desire to be fair on the one side to His Excellency the Commander-in-Chief, and, on the other side, to the Members of this House. We claim that we have achieved a very substantial economy, but we do not want to claim more than what we have achieved, and I thought it was only honest to let the House know that although the Budget is down now to 44 crores 38 lakhs,

[Sir George Schuster.]

it has only been reduced to that figure as a result of certain special economies, all of which cannot be looked upon as regularly recurring economies. The five per cent. cut in pay, of course, is an obvious case, and my friend mentioned the other points to which I referred . . .

Sir Abdur Rahim: What is the real permanent reduction? I think he referred to it in one portion of his speech.

The Honourable Sir George Schuster: That is a question which I, as Finance Member, will certainly not answer, because, I would say, here we are with an Army Budget of 44 crores and 38 lakhs. I know that that position has not yet been a permanent one. Some of the economies are economies which cannot be repeated for ever, but I would not go on from that to say that because some of the expenditure must be restored, therefore balancing economies of a more permanent nature may not be found. My friend is surely aware of the fact of the struggle, a much more realistic struggle than that in this House, which goes on between the Finance Department and His Excellency the Commander-in-Chief,—it is a very friendly struggle, but we all recognise that the fact that some of these economies which have already been achieved, the fact that they are not permanent economies, is a reason for going on looking for economies, for continuing the search for economies which will really be of a permanent nature, and I can assure my friend that this is recognised by His Excellency the Commander-in-Chief, and he has not given up the search for economies just for the very reason that some of those, which he has for the present achieved, cannot be permanently retained.

Now, the last point is the most important point of all, and that is the question of the issue of the justice of the decision of the Capitation Tribunal, and of the Government of India's attitude in having accepted His Majesty's Government's interpretation of that decision. As my friend, the Army Secretary, pointed out, His Excellency the Commander-in-Chief will have an opportunity in another place of dealing very fully with that issue, and I commend his speech, when it is made, to the attention of all Honourable Members. I only want to make one very short point. The whole of the argument of the Honourable the Leader of the Opposition was this: "India is now, on everybody's admission, maintaining more troops than she requires for her own defence. If that is the position, then surely His Majesty's Government ought to pay a substantial contribution." Sir, if that was the position, I should have come across the floor of the House and joined my friend and tried to make a speech on exactly the same lines as he has done. But that is exactly what the position is, not. I would remind the House of this, that the whole of this Capitation Tribunal's award is based on the foundation that the present Army in India does not contain a man more than India needs or her own purposes, and, moreover, those purposes are purposes of a limited nature; they are the purposes of fulfilling the minor obligation of defence, that is to say, the maintenance of internal security and protection of India's frontiers against local aggression, and that is the only responsibility which India carries. The responsibility for the major danger of an attack by a great power

upon India or upon the Empire through India is carried by His Majesty's Government and cannot be carried by the forces that we now maintain in India. Now, Sir, the result of the finding of the Tribunal is this, and, as I said on another occasion, it is much more favourable than Honourable Members give it credit for. The finding is this. India is only responsible for what I have described as the minor danger. Every soldier that is now in India is required for guarding India against that minor danger and yet in spite of that because the maintenance of British troops in India has some value to the British Empire, because of its value as a training ground, for that reason and for that reason alone His Majesty's Government will contribute a substantial sum to the Indian Exchequer. Now, Sir, on that statement of the case, which is a true statement of the case, I do submit that a contribution of a million and a half per annum, although we all know that we ourselves asked for more, is a very substantial payment . . .

Sir Abdur Rahim: How much more did my Honourable friend ask?

The Honourable Sir George Schuster: That is a question which is not easy to answer, because we put up the case on various and different grounds, and I think my friend will admit that if the basis for the claim is that rather intangible basis that I have described, the value to the British Government of having British troops maintained in India and the value of the training that that gives, it is very difficult to find an exact basis for assessing that advantage. But the point that I want to make in conclusion is this, that if my friend has a complaint, then it is a complaint not against the Capitation Tribunal, but a complaint against the experts, the military advisers of the Government of India and the military experts at Home who, having examined the situation, have reached the conclusion that the present military forces in India are not more than are required for India's own purposes. Now, Sir, I would put it to my friend that it is very difficult to go behind the advice of the military experts in a matter of that kind. I fully recognise that Honourable Members opposite wish to be satisfied on these matters. My friend has asserted that if we had a national Government, there would be a very different story to tell. I venture to prophesy, Sir, that if there were a national Government today carrying responsibilities, fully understanding the dangers, they would not desire to reduce the fighting strength of the Army in India today . . .

Sir Abdur Rahim: We only want a contribution.

The Honourable Sir George Schuster: It is on that basis, I think, that the whole matter must be considered. Sir, I have nothing more to say, and I would only again remind the House that the whole of this subject will be more fully and better dealt with by His Excellency the Commander-in-Chief in a very short time.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the demand under the head 'Army Department' be reduced by Rs. 100."

The Assembly divided:

AYES—43.

Abdul Matin Chaudhury, Mr.
Abdur Rahim, Sir.
Anklesaria, Mr. N. N.
Azhar Ali, Mr. Muhamma-l.
Badi-uz-Zaman, Maulvi.
Bhuput Sing, Mr.
Das, Mr. A.
Das, Mr. B.
Dutt, Mr. Amar Nath.
Gour, Sir Hari Singh.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Jog, Mr. S. G.
Joshi, Mr. N. M.
Krishnakachariar, Raja Bahadur G.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Liladhar Chaudhury, Seth.
Mahapatra, Mr. Sitakanta.
Maswood Ahmad, Mr. M.
Mitra, Mr. S. C.
Mody, Mr. H. P.

Mudaliar, Diwan Bahadur A
Ramaswami.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Neogy, Mr. K. C.
Pandit, Rao Bahadur S. R.
Parma Nand, Bhai.
Patil, Rao Bahadur B. L.
Puri, Mr. Goswami M. R.
Raghubir Singh, Rai Bahadur Kunwar.
Ranga Iyer, Mr. C. S.
Rao, Rao Bahadur M. N.
Reddi, Mr. P. G.
Reddi, Mr. T. N. Ramakrishna.
Roy, Kumar G. R.
Roy, Rai Bahadur Sukhraj.
Sant Singh, Sardar.
Shafee Daoodi, Maulvi Muhammad.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Sohan Singh, Sirdar.
Thampan, Mr. K. P.
Uppi Saheb Bahadur, Mr.

NOES—54.

Abdul Aziz, Khan Bahadur Mian.
Ahmad Nawaz Khan, Major Nawab.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Bagla, Lala Rameshwar Prasad.
Bajpai, Mr. G. S.
Bhore, The Honourable Sir Joseph
Chatarji, Mr. J. M.
Clayton, Mr. H. P.
Cox, Mr. A. R.
Dalal, Dr. R. D.
Darwin, Mr. J. H.
Dillon, Mr. W.
Ghuznavi, Mr. A. H.
Graham, Sir Lancelot.
Grantham, Mr. S. G.
Haig, The Honourable Sir Harry.
Hardy, Mr. G. S.
Hezlett, Mr. J.
Hockenhull, Mr. F. W.
Hudson, Sir Leslie.
Irwin, Mr. C. J.
Ishwarsingji, Nawab Naharsingji.
Ismail Ali Khan, Kunwar Hajee.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Lal Chand, Hony. Captain Rao
Bahadur Chaudhri.
Lindsay, Sir Darcy.

Mackenzie, Mr. R. T. H.
Metcalf, Mr. H. A. F.
Millar, Mr. E. S.
Mitter, The Honourable Sir Brojendra.
Morgan, Mr. G.
Mujumdar, Sardar G. N.
Mukharji, Mr. D. N.
Mukherjee, Rai Bahadur S. C.
Noyce, The Honourable Sir Frank.
O'Sullivan, Mr. D. N.
Rafiquddin Ahmad, Khan Bahadur
Maulvi.
Rajah, Rao Bahadur M. C.
Ramakrishna, Mr. V.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Ryan, Sir Thomas.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar,
Captain.
Singh, Mr. Pandeyanna Prashad.
Slone, Mr. T.
Studd, Mr. E.
Suhrawardy, Sir Abdulla-al-Mamun.
Talib Mehdi Khan, Nawab Major
Malik.
Tottenham, Mr. G. R. F.
Yakub, Sir Muhammad.

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,17,000 be granted to the Governor General in Council to defray the charges which will come in course of payment, during the year ending the 31st day of March, 1935, in respect of 'Army Department'."

The motion was adopted.

DEMAND NO. 28—EXECUTIVE COUNCIL.

The Honourable Sir George Schuster: Sir, I move:

"That a sum not exceeding Rs. 73,000 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, 1935, in respect of 'Executive Council'."

Federal Finance.

Mr. B. Das (Orissa Division: Non-Muhammadan): I beg to move:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

My object is to raise the question, the complicated and complex question of federal finance which has never been discussed on the floor of this House. With the imminence of the new Reforms and with the imminence of the Provincial Constitution in the year 1935, and with Federation in the offing in 1936-37, it is time that this House expresses its opinion on the intricate subject of Federal Finance which has been the subject of discussion before three Federal Finance Sub-Committees and various other Committees. The White Paper suggested that, after the Constitution was drafted by the Joint Parliamentary Committee, there would be a Financial Relations Committee to go into the question of the financial relations between the Provinces and the Centre. Thereafter, the Secretary of State, in making a statement before the Joint Parliamentary Committee, suggested:

"We can never make definite estimates until the last moment, and, at the last moment, there must be an expert inquiry into the financial position with a view to the readjustment of that position, if readjustment was rendered necessary by the conditions of the time."

The Percy Committee report gave out certain system of allocation of finance between the Provinces and the Centre which was examined by the Peel Committee of which my Honourable friend, Sir Cowasji Jehangir, was a member. In that Committee, my Indian friends were so much afraid of the representatives of the States that they agreed to an unholy pact which this country has never approved and will never approve. I wish to draw the attention of Honourable Members to the very well written memorandum on Indian Finance which Sir Malcolm Hailey, on behalf of the Secretary of State for India, submitted to the Joint Parliamentary Committee, in which he analysed the financial position, taking into account everything that has happened up to date. Regarding the unholy alliance and the unholy pact, which the members from British India entered into with the Indian States, Sir Akbar Hydari stated before the Joint Parliamentary Committee in No. 8023, when speaking on behalf of the States, as follows:

"The British India budget, Central and Provincial, as a whole, including the budgets of deficit provinces, was a balanced one, the Indian States could immediately enter the Federation on the basis of the *status quo*, as then existing, so far as

[Mr. B. Das.]

Finance was concerned. Secondly, that the White Paper proposals concerned may be accepted provided that (a) the prescribed percentage to be retained by the Federation under paragraph 139 of the Proposals is not less than 50 per cent.; and (b) that it is understood that the White Paper proposals in paragraph 139 empower the Governor General in his discretion to suspend beyond the ten years reductions of assignments to provinces, etc., etc."

Then the States will contribute funds by Corporation Tax if the Federal Government is in need of further finance. I cannot understand why British India should pay such a price to those members of the Indian States so that they can join the Federation as ornaments. The price is 50 per cent of the personal income-tax. Under what pretext? That debts were incurred. Was not 50 per cent of those debts incurred in conquering the princes by the East India Company and the British Government. The States are as much responsible for those debts as we are. Anyway, I am thankful to the Secretary of State for making a statement before the Joint Parliamentary Committee that every province would be allowed to start with an even keel. He also wanted that the Centre and the Provinces must have funds and resources, so that they can have development in the future, but since then an alarming situation has arisen. There has been the Burma Joint Parliamentary Committee report. The European Chamber's representative stated there that Burma would have a surplus of a crore and a half when separated. The Indian representatives mentioned that Burma would have no surplus at all, and with the 2½ crores of rupees as army expenditure, if Burma is separated, Burma would be landed with a deficit of so many crores. That is not our concern. If Burma wants separation, let her be separated, but my friends, the representatives of the European community in India, have demanded that there should be a free trade agreement whereby Indian revenues would be very much taxed. I should not want any free trade with Burma, nor any kind of favoured nation treatment to Burma. Burma wants to be the son-in-law of India as Britain wants to be the father-in-law of India.

Diwan Bahadur A. Ramaswami Mudaliar: What is the relationship between Burma and Britain then?

Mr. B. Das: Both the father-in-law and the son-in-law are not wanted here. After the Meston Award in 1920, my surmise is that there will be a Schuster Award next year and my Honourable friend, unless he becomes by that time Lord Schuster and goes somewhere as Governor, he will come back here as President of the Financial Relations Committee, and what will be the recommendation of that Schuster Committee? That is what I am going to bring to the notice of the House today. My friend has already exhausted those resources which were left for the Federal Government to handle,—and what were the resources which the Percy Committee wanted?

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member is going to discuss what the Schuster Commission's recommendations will be.

Mr. B. Das: I am only indicating that the possible Schuster Commission will look with apprehension upon the fact that the Finance Member Schuster has already exhausted all the financial resources of India which the Schuster Commission will be called upon to allocate.

The Honourable Sir George Schuster: In view of my Honourable friend's statement as to the future, may I ask you to allow me to absent myself from this discussion, as I ought not to undertake my task in a biased frame of mind. (Laughter.)

Mr. B. Das: Sir, already we have had much talk upon the defence expenditure. I was pained to hear the speech of my Honourable friend, the Finance Member, this afternoon. Only the other day when he participated in the debate on the Report of the Capitation Tribunal, he said that Honourable Members opposite had every right to press and demand more from the British Government, but today he let the cat out of the bag and said: "No, on one particular issue this one crore and 50 lakhs is enough for you, gentlemen; do not demand anything more". Sir, we cannot bow to that and the Honourable the Finance Member must get us 20 crores. The Government of India's demand was for £10 million, then £18 million, and so on, and I would be satisfied with 20 crores and nothing less. Then, the Honourable the Railway Member has repudiated the contribution of railways to the general revenues. The Percy Committee took no note of it, the Hailey Memorandum made casual reference by stating that "sometime the general finances will improve". I want an assurance, Sir. I asked that question the other day, but my Honourable friend had no time to reply. Today his reply will, I hope, be on the point whether in any future allocation of Federal Finances and Provincial Finances that sum of five crores from railways will be taken into account so that the Provinces will get relief.

Then, there are certain outstanding questions regarding pre-reform irrigation debts which the Hailey Memorandum refers to and which I referred to last year some time. There are certain canals which do not exist in Orissa, the North-West Frontier Province and the United Provinces. This Memorandum was placed before the Peel Committee and the Third Round Table Conference, we do not know with what result. The Hailey note makes no mention of it, nor is it to be found in the evidence of the Secretary of State. I want to know whether the Government of India have come to any conclusion and what views they are going to place before the next expert Committee as to how these pre-reform irrigation debts and particularly those with non-existing assets should be wiped out. Sir, these are minor adjustments, but my biggest grouse is against the Indian States. Why should India contribute for ever and pay this penalty of five crores of rupees of income-tax which will relieve so much and wipe out the distress of my Honourable friend, Mr. Mody, and my Honourable friend, Sir Cowasji Jehangir? Sir, I have my full sympathy in this matter with the Bombay Presidency who are the losers. (Hear, hear.) But why did my friend, Sir Cowasji Jehangir, and my friend Diwan Bahadur Ramaswami Mudaliar, bring about this unholy alliance with those princes? If you wanted a Federation, be honest about it and go about it in an honest way. If we have to contribute half of our income-tax, let the princes and their subjects pay similar taxes too. If they do not pay, I do not care about this Federation. Let there be a Central Government and Provincial Autonomy and I will welcome that.

Mr. N. M. Joshi (Nominated Non-Official): It is about five years since the First Round Table Conference started.

Mr. B. Das: Did my friends protest in the Third Round Table Conference that this was a price which British India was not willing to pay? Sir, as a preliminary to the Federation, the British Government wanted a Reserve Bank. Now, both the Houses have given the British Government and my Honourable friend, the Finance Member, a Reserve Bank. So there is nothing left and wanting. The Secretary of State's Memorandum contains a loss of a crore and a half owing to the establishment of the Reserve Bank, because the receipt on account of currency will be reduced, but my Honourable friend has made a different provision. My Honourable friend thought that by giving five crores of rupees in securities to the Reserve Bank for its reserve there would be no deterioration in the revenue of the Federal Government. So there is some improvement in finance, more than what has been proposed in the Hailey Memorandum. But, as I said the other day, my Honourable friend has already encroached upon those taxes,—*e.g.*, matches, tobacco and other things.

I must state here that in respect of one Budget provision—the relief to Bengal—I am entirely in agreement. The step which the Honourable the Finance Member has taken is a little step, but a step in the right direction, because, if I may quote just a few lines from a speech which Sir Samuel Hoare made in the House of Commons, he also, it will be found, alluded to that:

"My own view which is supported by many of my expert advisers is that the Federal Government would not cost substantially more than the existing Central Government and that the problem of adjusting the finances between the Centre and the provinces is much the same whether federation is set up, whether provincial autonomy is started, or whether we keep the centre as it is now."

Some criticism was offered as to why the Bengal Government got the relief. So the considered opinion of the Secretary of State answers that. Now, Sir Samuel Hoare, in presenting the Hailey Memorandum before the Joint Parliamentary Committee, made certain observations, and he said that "at least 10 crores are needed for the cost of the Federation" and he went on to observe:

"The first fact is that the greater part of this deficit, call it, if you will, from six crores to ten crores, is due not to the setting up of the Federal Government in the Centre, but to the setting up of autonomous Provinces upon a self-supporting basis."

Sir, if the Provinces demand a self-supporting basis,—and a start has been made—and if somehow the new Constitution will be delayed, I want that in the next year's Budget the Provinces should get full assistance so that they can start on an even keel. Then, Sir Samuel Hoare observed:

"Next, the second fact that emerges is that a very small part of this deficit, take it if you like at the highest figure, say ten crores, is due to actual fresh expenditure. If you analyse the figures, you will find that apart from a comparatively small sum, *viz.*, about three-quarters of a crore for setting up the new machinery in the Provinces and a figure of about the same amount, *viz.*, about three-quarters of a crore for setting up the Federal Institutions in the Centre, the rest of this amount is not fresh expenditure at all and it is due in the main to two changes in the allocation of the revenues of India, namely, first of all, the change, supposing Burma is separated from India, of leaving Burma two or three crores that it now contributes to the Indian Central Government. Secondly, it is due to a figure of about the same amount—some two crores—that is necessary, whether changes take place in the constitutional field or whether they do not, to put a stop to the permanent deficit in Bengal and the permanent deficit in Assam."

Sir, I am prepared to give more help to Bengal and Assam than I need give. But the point that emerges from this discussion is this. Burma is going to be separated, but the Burma finance, as I have studied it, and as

it was discussed by the Indian as well as European delegates before the Joint Parliamentary Committee, will show no signs of improvement. We do not want that Burma should get any assistance at the cost of the Federal Finance or at the cost of the Provinces who are looking forward to the new Constitution to start for a new era of prosperity and development. The second thing that emerges is that there are certain Federal taxes which should be explored and the allotment of finance between the Provinces and the Federal Government should be gone through. Whether it will be the Schuster Award or some other award, we do not know, but the present Finance Member and his successor, until that award is made, should not draw on those taxes as my Honourable friend has drawn this year. I do not want my Honourable friend to take shelter under another recommendation of the White Paper, namely, that if the financial conditions prevent the new Constitution from coming into existence, the British Government will take steps to invite a few Round Tablers and other gentlemen to England and consult with them. My fear and apprehension is that my Honourable friend, the Finance Member, has already drawn on this reserve, and if my Honourable friend is not careful, then we will find that there will be a stampede on the floor of this House and outside in the country for approaching the Honourable Members of the Treasury Benches to pay another visit to England to plan out when the new Constitution can be ushered in. I hope my Honourable friend, the Finance Member, will answer categorically, point by point, the points that I have raised in this discussion.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): Sir, only a few days ago I narrated before this House the deplorable story of the Finances of Assam. I am very grateful to the House for the indulgence and the sympathy with which they listened to our grievances. I, therefore, hesitate once again to revert to that subject and to inflict another speech in this House on the financial condition of Assam. But my only justification is that while on the last occasion I dealt with the finances of Assam as they are today, on the present occasion I want to examine the financial position of Assam as it will be under the Federation.

The Percy Committee found, in the course of their investigation, that the deficit in Assam under Federation would amount to 65 lakhs of rupees, and they proposed to meet that deficit by allotting to that Province its share of the income-tax. According to their calculation, this would come to Rs. 29 lakhs, so there would still remain a deficit of 36 lakhs of rupees. Now, the calculation of the 29 lakhs of rupees as Assam's share of the income-tax is based upon an inadequate material as Assam does not get the full credit for the income-tax that it actually pays. Everyone knows that Tea is our principal industry and the largest amount of income-tax is collected from the tea companies. Now, most of these European companies have got their headquarters in Calcutta and it is Bengal and not Assam that gets the credit for the income-tax that is collected from the Assam tea industry. Then, again, there are sterling tea companies which have got their headquarters in London, and Assam gets no credit for the income-tax that is collected from those companies. Therefore, this estimate of 29 lakhs of rupees as Assam's share of the income-tax is an underestimate, because it does not take into account the income-tax which is

[Mr. Abdul Matin Chaudhury.]

paid by the Assam tea companies either in Bengal or in London, and I hope, in any future distribution of income-tax, this fact will be taken into consideration.

Now, the Percy Committee found that Assam's position was rather peculiar; that it was an undeveloped Province and that it had no resources to raise capital to develop itself. They could not solve the problem of balancing the Budget of Assam and they recommended that some loan should be granted to Assam from the Federal revenues to enable the Province to develop herself. But that does not solve our problem of balancing the Budget, and I will again most respectfully suggest that the restoration of the petrol duty is the only way by which the Budget of Assam can be balanced and Assam can be put on the path of prosperity and progress. If we examine the position of Assam under the White Paper scheme of the financial arrangement between the Provinces and the Centre, we find ourselves in no better position. Under the White Paper scheme, land revenue, excise, stamps and forest are made the principal sources of provincial revenues. In our Province, land revenue, excise and forest are also principal heads of income, but unfortunately in recent years even these sources of income are showing a very marked deterioration. Our Province unfortunately is a victim of periodic floods and earthquakes. Sir, some years ago, an Indian Finance Member described the Indian Budget as a gamble in rains: the Assam Budget is a gamble in floods. Every year we have got floods either on a major scale or on a minor scale. The last flood in 1929 cost the Assam Government 35 lakhs of rupees and though in recent years we had no earthquakes on a devastating scale just as Bihar has had this year, during the last year, in one particular district, Goalpara, we had over 300 tremors of earthquake causing considerable damage to land and property. Even our Government House at Shillong is built as a wooden bungalow as a precaution against this perpetual menace of the earthquakes. Then, Sir, our land revenue has been dwindling from Rs. 1,20 lakhs in 1931 to Rs. 1,13 lakhs this year, and the income from our forest has also fallen from Rs. 35 lakhs in 1931 to Rs. 14 lakhs this year.

The only other principal source of revenue is the Excise, and there also the position is rather peculiar. Our revenue from excise is derived mainly from the excessive use of opium, and this excessive use of opium has undermined the health of the population of Assam. The Indian National Congress had instituted a Committee of Inquiry under the presidency of Royd. Andrews to inquire about the opium habit in Assam, and this Committee has recommended the total prohibition of sale of opium in Assam except for medicinal purposes. I am sure, Honourable Members will not expect that Assam should raise revenue by drugging its population. The Assam Government has also adopted a very humane policy of registering the opium addicts, rationing their supply and they have adopted a programme of eradicating this evil during the next ten years. This means that the excise source of revenue will be extinguished in a few years. With land revenue and forest income falling and excise disappearing, our position under the Federation becomes very much worse than it is today. If I am permitted to repeat the burden of my song, I would say "give us petrol duty, and it will solve all our difficulties". There is another aspect of the question and, it is the last point that I want to make. In the White Paper proposal, a large portion of Assam has been treated as totally excluded area. It comprises five hill districts, and it will be

outside the pale of the Provincial Legislature. The Secretary of State admits that grants will have to be made from the Central Revenues for the administration of that area. I should like to read to the House extracts from what the Secretary of State said in this connection. In reply to Major Attlee, this is what the Secretary of State said. Major Attlee asked:

"One further question and that is with regard to finance. Have you considered the possibility of making some kind of grant from Central Revenues to Provinces which are burdened with a deficit, such as Bihar and Assam?"

The Secretary of State replied:

"We have not only considered the necessity of a grant of that kind, but we are actually proposing it in the case of Assam. Assam is the only case in which we are making a proposal of that kind, and we are assuming a substantial grant to Assam for the backward tracts from the Federal Centre."

Then, again, in reply to another question of Major Attlee, the Secretary of State said:

"We felt that we could not go further than to make this proposal for Assam, in view of the general state of Indian finances and we felt justified in making the proposal in the case of Assam, first of all, because the tracts are of great extent and involve a considerable sum of money, and, secondly, because Assam is a frontier district. A grant of that kind could be justified upon the ground of defence, just as a grant is needed from the Federal Centre to the North-West Frontier Province Administration."

On the question whether this grant should be made annually or should be permanent, this is what the Secretary of State says. Sir Austen Chamberlain asked:

"I thought the Secretary of State said in answer to me a moment ago that the affairs of the totally excluded area would neither be votable nor discussable."

The Secretary of State, in reply, says:

"Yes, I did, and I contemplate that the provincial subvention would certainly not come up for discussion in the Federal Legislature year by year. I am assuming that these subventions, for instance, to Assam and Bengal would be made once for all."

Sir Hari Singh Gour then asked him:

"They might be made once for all, but they are always part of the annual budget as Sir Malcolm Hailey will point out."

Sir Malcolm Hailey replied:

"No; they would not come up in the annual budget if, for instance, instead of being made in the form of grant they were made in the form of a share of taxation as in the case of the jute tax. It depends on the form in which it is made."

Sir Hari Singh Gour again asked:

"The form is uncertain; therefore, I say, so far as the Federal Legislature is concerned, it cannot be precluded from discussing these questions when it is to finance the administration of the excluded areas."

The Secretary of State replied:

"It would depend entirely on the form that the subvention takes. If it took the form of an assignment of taxation, as it might very well do, then it would not appear in the budget in a form which would render it liable to discussion."

The Secretary of State was undecided as to the form that subvention to Assam should take. Our demand is that it should take the form of an assignment of the petrol duty to us.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, the subject of Federal finance has had a peculiar fascination for me, and if my limited study has taught me anything, it is this that there are no hard and fast financial principles applicable in the case of all the systems of federation that are at the present moment working in this world.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Now, so far as the particular system of Federal finance that has been evolved in a particular country is concerned, it will be found that it is the result to a large extent of the historical circumstances governing that particular administration. In very many federations, for instance, the federal units existed as separate entities independently administering their own affairs before they came together in the form of a union or a federation for certain well-defined purposes. So far as India is concerned, the process is absolutely the reverse. Here, from the Mughal times onwards down to the year 1920, it was a highly centralised administration that was in charge of the entire Government of this country. The Central Authority was practically the sole administering authority in the country and if they had divided the territory into different Provinces, it was merely for the facilitation of administration. The Provincial Administrations were all mere agents of the Central Authority. They had no separate entities of their own, either in finance or in administration, enjoying powers only by way of delegation, having their expenses strictly defined by the Central Authority, having their revenues strictly rationed. The change towards a federal system of finance began in the Constitution of 1919 which is now in operation; and here what strikes one is that whereas in the administrative sphere, the position assigned to the Provinces was hardly one of independence as would be contemplated in a scheme of provincial autonomy, but that in the financial sphere there was a partition of revenues as between the Centre and the provincial units, so complete that we do not find its parallel in the history of federal finance anywhere in the world. I remember the reasons that the Montagu-Chelmsford report put forward in favour of that system of financial partition and I also remember the extent to which that principle was endorsed first by the Meston Committee and next by the Parliamentary authorities with slight modifications. But if anything is clear today, it is this that that particular system, which was devised by the Montford report and which forms part of the present working constitution, has broken down in practice. The defects of that system began to appear shortly after the new constitution began to work, and, in some years, it was found that whereas the Provinces were struggling with deficits, the Centre was enabled to present a surplus Budget, a result which was not contemplated at the time when the Reforms were introduced, for, the authorities laid down that it should be unthinkable sequel of the reformed Constitution. The White Paper scheme is certainly an improvement from that point of view upon the present working financial arrangements, in so far as it recognises the responsibility of the Central Authority to share with the Provinces some of the sources of revenue hitherto considered to be exclusively Central, and this is a feature which any one on this side of the House must welcome. I am reminded of the fact that in all the post-war Federal Constitutions, attempts have been made to avoid a rigid partition of revenues between the Federal units and the

Federal authority, and the White Paper scheme is, from this point of view, quite in accord with the precedents that we find in operation in other parts of the world. My Honourable friend, the Deputy President has just referred to the case of Assam and he has put in a powerful plea for an assignment in favour of that Province. Now, federal systems, with the exception of very few, all over the world, do make provision for assignments in selected cases. There are different kinds of allocations made by the Federal Authority for the financial benefit of the units, first assignments, pure and simple without any condition, next subventions for certain specified purposes without the necessary accompaniment of any federal control over the provincial units, and, thirdly, grants-in-aid which are accompanied by some amount of control over the provincial administrations in respect of services for the benefit of which grants are made. Therefore, Sir, in view of these precedents we are certainly entitled to say that in selected cases it is the duty of the Central Authority to come to the assistance of the Provincial Governments, either in the shape of assignments or grants-in-aid or subventions. It is a very pleasing feature of the White Paper,—and there are so few of them in the White Paper that I am particularly pleased to find this in paragraph 187,—where apart from proposing a division of income-tax between the Central Authority and the Provinces, the hope is held out that circumstances permitting, the proceeds of the salt revenue, federal excises and the export duties should also be shared between the Centre and the Provincial units. I do not know when the Central Authority will find itself in a position to make these subventions or assignments, but it is a very great concession in principle which has been made by the White Paper, and we value it all the more, because it goes directly against the principle which has been adopted by the Meston Award and which is part of our present Constitution.

While on this point I cannot omit a reference to the recommendation made in the White Paper in this particular paragraph, that with regard to the export duties on jute and jute products, the assignments to the producing units will be compulsory and will amount to at least 50 per cent. of the net revenue from the duty. I am sorry I was not present here when the general discussion took place on the Budget, but I find that some references were made to the relief which the Honourable the Finance Member has proposed to give in his present Budget to the three Provinces which produce jute; and I want to point out that his action is perfectly in accord with the spirit of this particular recommendation. I have no desire to enter into a controversy with my Honourable friends who have pleaded the cases of their respective Provinces, but I beg leave to say just a few words on this particular point. Sir, I do not know what considerations actually led the authorities to lay down this particular proposal in this form, but I am perfectly certain that public opinion in Bengal will not be satisfied with a mere 50 per cent. of this duty. Now, Sir, if the study of the systems of federal finance in other parts of the world is of any assistance to us in this particular matter, it will be seen that, so far as the import duties are concerned, they are in most cases, if not all, a federal source of revenue although I am aware that even in respect of import duties provincial units in certain federations are in the receipt of a subvention on a *per capita* basis. But apart from that, so far as export duties go, they are treated on an entirely separate footing from import duties, and I find that in the Constitution of Australia, Customs means only import duty. In the United States of America, there is an actual prohibition under the Constitution that

[Mr. K. C. Neogy.]

against the imposition of export duties. And in Brazil, which is the only Constitution as far as I have been able to find where a more or less complete division of resources has taken place between the Centre and the Provinces, the export duties are permitted only to the States Government and not to the Central Federal Authority. So when we talk glibly about Customs, we must not forget the essential difference between import duties and export duties. There is no magic in the term Customs. Apart from finding sufficient resources from the Centre the only justification for making the import Customs duty a federal source and not a State source of revenue is that it is very difficult to find out exactly where the goods on which these import duties are levied are actually in use; that is to say, it is very difficult to trace the ultimate payer of that import duty, because certain Provinces, by reason of their geographical situation, may be collecting the Customs revenue when the goods pass through their territory, but, so far as the inland provinces are concerned, they do not get credit for that amount of Customs duty which the inhabitants of those inland Provinces pay in the shape of Customs. But so far as the export duty is concerned,—as in this particular case,—there is no difficulty about identifying the source from which the thing proceeds, and, therefore, there is not that difficulty which we find in the case of import duties of actually finding out the man who pays the duty. And here I am reminded of the argument which Sir Basil Blackett was fond of advancing in this House that, in so far as jute constitutes a monopoly, it is perfectly legitimate on the part of the Central Authority to impose an export duty which does not fall on the producer of that particular commodity, but merely helps the Central Authority in raising a taxation at the cost of the foreign purchaser of the exported jute. There is a good deal of fallacy involved in this argument. In the first place, there is no such commodity as an absolute monopoly, as has been admitted by the Fiscal Commission itself. And apart from that, those who know anything about the conditions of the jute trade in Bengal will be able to tell this House that, although as a producer of the so-called monopoly commodity in Bengal, the cultivator should be in a position to dictate the prices, he is the hardest hit of all the parties that have anything to do with the handling of jute from the point of time of production down to the shipment; and in very many years,—as a matter of fact this has been a chronic complaint with us,—in very many years in succession the producer is hardly able even to recover the bare cost of production. So it is altogether a mistake to describe this commodity as a monopoly commodity so far at least as the producer is concerned; that is to say, the producer is not in the least able to dictate prices. I have not the time to go into any lengthy discussion with regard to the circumstances that bring about that result, but the fact remains that it is a mistaken idea to hold that jute is a monopoly commodity, and, therefore, any duty that may be levied on the export of this commodity is paid by the foreign consumer and not by the producer. We know, again, that attempts are being made with varying degrees of success at finding substitutes for jute. Now, therefore, we say, why not let the Province decide whether to keep up this duty as a Customs duty or impose a kind of excise upon the production of jute having regard to all the circumstances? That is to say, if the Provincial Government, which are best fitted to come to a decision on this point, finds that this particular duty is harming the interests of the jute industry, it will be up to that Government with the help of the

Legislature to so regulate the duty as to relieve it of any unnecessary burden. I remember Sir Basil Blackett inquiring of me whether I thought that this was a bad duty. He said, "If you consider it a bad duty, abolish it; if it is a good duty, it is mine". That was his argument. I said, "If it is a bad duty, let the Provincial Government and the Provincial Legislature decide upon whatever course they choose to adopt; if it is a good duty, it is a duty which you are enabled to impose with my help, that is to say, with the help of a commodity which I produce, and I certainly should have a share in it if not the whole of it". Having regard to all the circumstances of the case, I think that this half measure should be welcomed in the present financial circumstances of the Government of India, but that Bengal opinion will not be reconciled to it unless, in the fullness of time, we are given the fullest benefit of this particular tax. . . .

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member has five minutes more.

Mr. K. C. Neogy: I am very sorry I shall not be able to deal with many more points. I just want to go back to the point I was making when I began and that is this: that so far as the basic principle of the White Paper scheme on this particular point is concerned, it has, I think, general support on this side of the House. There are certainly minor points with regard to which there is a good deal of difference of opinion. My Honourable friend, Mr. Das, for instance, has referred to one of those points, namely, that our representatives in England have been rather too accommodating to the interests of the Indian States and that they should not have agreed to some of the conditions to which they agreed while in England. When I read the evidence of Sir Akbar Hydari on this particular point, I was really surprised that he should be doubting the solvency of the Government of India in this way, and that he should be hesitating to enter the Federation unless his terms with regard to the division of income-tax were accepted. This certainly is a matter on which there is considerable feeling in British India. The only redeeming feature of Sir Akbar Hydari's statement is, as pointed out by the Secretary of State himself,—I am giving a free interpretation of the statement made by the Secretary of State—that the Committee should not be too critical of this particular statement made by Sir Akbar Hydari, but it is of great value in so far as the States have agreed to undertake financial obligations at a particular point. Even that was a very uncertain factor before. He said: "I would draw the attention of the Committee and the delegates to the one salient fact, namely, that at a point the States contemplate undertaking burdens other than the burdens of indirect taxation." That was welcomed by the Secretary of State as a very great concession. It hurts my self-respect to think that the States should be permitted to dictate to us in this fashion. When we read the report of the Federal Finance Committee, known as the Eustace Percy Committee, we find that they have definitely come to the conclusion that not only is the pre-Federation debt fully secured as regards assets that will be passed on to the Federal Government, but that the service of that debt will be fully covered by the sources of revenue which will remain at the disposal of the Federal Government. If that is the position, that is to say, if we are transferring to the Federation the debts and also the ample securities that we have covering those debts, and also the capacity to serve those debts, why should there be this kind of hesitation on the part of the Indian States to enter the

[Mr. K. C. Neogy.]

Federation? Why should there be any kind of suspicion in their minds as regards the solvency of the Federal Government? This is one point about which British Indian opinion is very strong. I do hope that my Honourable friend, Sir Cowasji Jehangir, while speaking on this point, will clear up the issue and satisfy the House that the attitude of compromise, which was adopted by the British Indian representatives in London with regard to this point while dealing with the States' claims, was really a reasonable one.

I do not think I can add anything very much more in the limited time at my disposal, but it seems to me that we are debating this question in an atmosphere of unreality, because we are at the present moment in the grip of various forms of emergency taxation, surcharges and the like: the railway profits have altogether disappeared from the Budget of the Government: there is the shrinkage in customs and income-tax. I for myself do not know when the circumstances contemplated by the different authorities in England will arise, when these reliefs in the form of assignments from the income-tax will be possible to be made in favour of the Provinces. Then, . . .

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member must conclude now.

Mr. K. C. Neogy: I will take just half a minute. Reference has been made to the proposed enquiry into the financial relations of the Provinces and the Central Authority—I do not know when the inquiry is proposed to be set up. As far as is known, Provincial Autonomy may not take long in coming; although we do not know what interval will elapse between that particular date and the date when the Federation will come into being, if it comes at all. I should like to know from the Honourable the Finance Member something on this point, because I fully realise that he will not be in a position to discuss the merits of the proposals in so far as they are in a sense *sub judice* in England.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, our friend, Mr. Das, has raised a debate in this House on a subject which is, if I may say so, not very pertinent to the present Budget. He dips far into the future, and, so far as I can understand from his very lucid speech, he made one important point, and that was that the States were likely to get the best of British India with regard to the financial position of the Federation. I do not know whether he meant it as an accusation against some of us who sat on what is called the Peel Committee, which was the last of the Committees, that considered this question of Federal finance.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I do not know whether he meant to accuse us of partiality towards the States . . .

Mr. B. Das: I wanted elucidation.

Sir Cowasji Jehangir: . . . but let me tell him and my friend, Mr. Neogy, that there was considerable difference of opinion between the representatives of States and those who were there to represent British India

and so much was that difference of opinion that we never came to any definite agreed conclusions. If my friends would look at the Peel Committee's Report, they would see in its paragraphs pointed allusion to those differences of opinion. Sir, the case of the States was that if they were asked to come into a Federal Government, it ought to be a Government, which ought to be a Government, that was not encumbered by past debts, and that they should not be called upon to pay those past debts. We contested that position and we had behind us the authority of the Percy Committee's Report. Sir, I cannot do better than point out just one paragraph in the joint memorandum which was our case in the Peel Committee's Report. This is put in a few lines. It says:

"Since the Percy Committee have definitely found that the pre-Federation debt of India is covered by the assets to be transferred to the Federal Government, there is no justification in theory for the assignment to the Federal Government of any portion of the personal income-tax paid by the residents of the Provinces since no corresponding tax on incomes will be paid by the States".

Sir, coming to the Peel Committee's Report, you will find that the States demanded that 8½ crores of the income-tax should be assigned permanently to the Federal Government. We could not possibly agree to a permanent assignment of the income-tax to the extent of 8½ crores to the Federal Government for all time, but we were prepared to assign five crores for reasons given in paragraph 4 of the Peel Committee's Report. There are certain portions of the income-tax which in equity belong to the Central Government. They are: Corporation tax, tax on Federal officers, tax in Federal areas, tax on the Government of India Securities, tax on the income-tax of persons not resident in British India. According to calculations made, income-tax under such heads would amount to about 5½ crores. We were prepared to concede five crores. The States, as I have already said, demanded 8½ crores.

Then, again, there was a recommendation in the Report that for a certain number of years the full income-tax should be retained by the Federal Government. The question was what that number of years should be. The States said ten years, whereas we said from four to five years, and, therefore, if my friend, Mr. Das, believes that we agree with the States in their demands, he is very much mistaken. What the Constitution is really going to be is on the laps of Gods, and, on a Budget discussion in 1934, I do not desire to anticipate the Budget of, shall we say, 1938 or 1939 . . .

An Honourable Member: You are very optimistic.

Sir Cowasji Jehangir: Sufficient unto the day is the evil thereof. When the time comes for the 1938 or 1939 Budget,—I may not be here, but I am sure, my friend, Mr. Das, will be here to fight the representatives of the States as to what their proper share should be.

An Honourable Member: He will be in dotage.

Sir Cowasji Jehangir: Now, Sir, I do not know whether there is any other point to which I can refer in the speech made by my friend, but this debate has given occasion for a very lucid speech from my friend, Mr. Neogy, who explained the theory of Federal finance. We are grateful to him for it. Mr. President, I do hope that when Federation does materialise it will be found that it is satisfactory both to the States and to British India, and, while speaking on this subject, it will not be impertinence on

[Sir Cowasji Jehangir.]

my part to suggest one thing. I would ask my friends, the representatives of the Indian States, not to carry their arguments too far when it comes to striking a bargain. I can understand asking for more than what they are prepared to take, but one of the failings of very many on this side is going on bargaining a little too long

An Honourable Member: Do you speak for yourself or for others also?

Sir Cowasji Jehangir: It is one of those instincts in man which is sometimes called genius to know when to stop and when to strike a bargain. I do trust that those who have a predominant voice in the Councils of the States will have that genius and will be able to realise when the proper time has come for striking that bargain and coming to a compromise,—for if they do not,—I am one of those friends of the States who really believe that it will not only be very harmful to the interests of the whole of India, but it will be more harmful to the interests of those States which will persist in remaining outside the Federation. If they are to come into the Federation, let them come in as welcome partners, partners whom we shall welcome as co-operators, but let them not come in under any other conditions. Mr. President, we all hope that they will come in willingly as co-operators with us in the future Government of India.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, I would respectfully request my friend, Sir Cowasji Jehangir, that last dictum of his own: "don't go on bargaining too much, but know when to take the bargain", when I shall move my motion tomorrow. Sir, I am no representative of the States, nor am I in their secrets, as to what they will do or will not do. But there is just one little thing which I have not been able to understand. It looks, in a discussion of this nature, as if you have got to wipe out the past, you have got to forget everything that had happened. They said: "Take things as they are today and agree after some haggling, of course, to what I suggest, or it will be very bad for you". What I mean is that from the year 1765 the Indian States, that are existing now, have been in one form or another assigning territories or paying huge big sums of money, and were it not for those territories, my Honourable friend, Sir Cowasji Jehangir, would not be able to administer such a huge big Empire as the Indian Empire..

Sir Cowasji Jehangir: I do not administer.

Raja Bahadur G. Krishnamachariar: But you administer here in this Assembly. Take, for instance, the State of Hyderabad—the Northern Circars, four districts, Cudappah, Kurnool and Bellary Ceded Districts, and last, but not least, the Berars. Now, the significance of the Berars under the agreement that was executed in 1902—I do not know what is going to happen hereafter, the announcement that was made was only a partial announcement—taking the administration of the Berars together with the Central Provinces after the agreement of 1902, there is a net contribution by the Berars of Rs. 60 lakhs to the administration of the Central Provinces and the Berars every year, but for which the administration of the Central Provinces would have been bankrupt long ago. Now, I ask, where these Rs. 60 lakhs came from. May I know, in view of the treaty arrangement regarding the troops, how much the British Govern-

ment has gone on making in the shape of income? A Committee sat regarding this matter, and I want to ask my Honourable friends before they say that an Indian State should not at all bargain, or "only just for the form's sake, you bargain, but eventually yield"—those gentlemen, who say that, should have a look at the appendix to that report and they will see that at least six pages consist of a list of the assignment of territories, State by State. Don't they cost something? I will give you an instance. When the Berars had not yet been finally settled in 1902 and when under the treaty there was an agreement that any surplus, if any, should be given over to the Nizam—no surplus ever remained, but the moment the 1902 agreement was made, then the six districts were converted into four districts, and troops and other things were moved away, and certain serious retrenchments were made in the administration, with the result that Rs. 25 lakhs were given to the Nizam and Rs. 60 lakhs were contributed year after year to the administration of the Central Provinces. I won't elaborate that point. What I say is, by all means come to a conclusion, and a fair conclusion which would justify the States entering into the Federation. But when you do make that adjustment, don't forget the past. That I understand—I do not know, I have not been in the secrets of Sir Akbar Hydari, and I do not know why the States all combined together and authorised him to make that statement, but all that I do know is that the British Indian Budget having had a tendency of somehow or other not being balanced all these years, the moment that these gentlemen get into the Federation, they will be told, you must balance the Budget of the Federation, somebody must pay, the British Indians have not got the money to pay, so let the Indian States pay. That would be the position which would happen, that, I believe, is the reason why Sir Akbar Hydari made a provision that the Budgets of all the Provinces should be balanced, the Budget of the Central Government should be balanced and the *status quo* should be maintained. So much for that.

I do not know that I have sufficiently understood the principles of Federal finance, but if what my Honourable friend, Mr. Neogy, enunciated today is correct, there is a little matter so far as Madras is concerned, to which I am entitled to lay a claim. We produce a lot of salt. It is our produce, and upon the same principle that Bengal wants back the jute tax, call it excise, call it export duty, or by whatever name, whatever it is, pay my share of salt. And I am not doing it because one Province asks another Province. I was reminded the other day when Bengal and Bombay were fighting as to who should share in the carcass of this Rs. 1,89 lakhs—I was reminded of a little story. There was a shipwreck. The ship carried both a cargo of salt and a cargo of betel leaf. When the ship was wrecked, the cargo of salt went down, and the man who sent that cargo of salt was beating his breast saying "I have lost everything. I have become a bankrupt", and so on. Our friend, the betel leaf consignor, began to make a greater noise, saying that he also had lost everything. But what did he lose? It is swimming there, he can immediately take the leaves back, there is no loss of betel leaf, though I am not sure if any harm is done to it by a little bit of soaking in salt water. (Laughter.) That, Sir, was the story of these two gentlemen fighting. I am not putting it on that ground. My friends have said that the Meston Award was not fair to them. Shall I tell you a story about Madras? Every year, from the time when the Meston Award came into existence up to the time the other day when they remitted, I believe, our Provincial contribution—Rs. 3,88 lakhs have been paid year after year by Madras. Let any other Province show its account

Mr. K. C. Neogy: We have been paying four crores of rupees in customs duty.

Raja Bahadur G. Krishnamachariar: I have contributed to the establishment of the East India Company in Madras. (Laughter.) What is the good of saying all that? You contribute customs, I contribute something else.

Mr. K. C. Neogy: In jute alone

Raja Bahadur G. Krishnamachariar: In cash alone I paid Rs. 3,83 lakhs. (Laughter.) What I say is this. It is all my foolishness. These Madras people have got a peculiar habit of hoarding. That is a trait that is even now exhibited in Madras, because, the other day, in presenting the Budget, the Finance Member of the Madras Government would not agree to the remission of revenue that we asked for although he himself agreed to do so as President of the Finance Committee. In presenting the Budget, he said, we shall have to spend so much upon this item, so much upon that item

Mr. K. C. Neogy: The Honourable Member himself has set a very bad example to his Government of hoarding. (Laughter.)

Raja Bahadur G. Krishnamachariar: That is unfortunately the case. The result is that the Imperial Government pounces upon the whole thing and year after year Rs. 3,83 lakhs has been taken away from me. That is the condition in which I am, and if I ask for this, not as a favour, but as a basic principle of Federal finance which my Honourable friend, Mr. Neogy, enunciated, which I think he correctly enunciated, I say I want a share of that at least

Mr. K. C. Neogy: My idea is to give my Honourable friend's Province more, but only his friend, Sir Akbar Hydari, stands in the way. That is my complaint.

Raja Bahadur G. Krishnamachariar: That is all very well. There is an old Urdu saying, "*halwai ki dukan, aur dadaji ki fateha*". You know, among the Muhammadans they make a *fateha* and distribute sweets. The gentleman had no money and so he stood in front of the sweetmeat shop and performed the *fateha*. (Laughter.) "I want to give you more money, you won't take it, because Sir Akbar Hydari says something". I am not concerned with those gentlemen at all. They may give or they may not give. I have always held the view that responsibility at the Centre should not be delayed until the princes come in, and, sure as I am standing here, I should be greatly surprised if this Federation materialises in the immediate future. I know the difficulties, I know the troubles, and time after time these obstructions come up, these impediments occur.

The next item upon which, I say, we are entitled, if not to the entire profit, at least half of it, is pepper. Malabar produces pepper, and, so far as I know, no other Province produces pepper. (Interruption.) If other Provinces produce, I suppose it is just like mangoes being produced in England, for instance. That does not count. They produce mangoes there in what are called hot houses. You compare the production of Malabar in pepper and you compare the production of the same article in other places. Malabar stands first and upon the same principle as the production for jute, I want that some portion should be given to me.

An Honourable Member: Assam also produces.

Raja Bahadur G. Krishnamachariar: I know that Assam also produces. That is just like England producing mangoes in a hot house. I am not here objecting to people taking what they can. I am trying to substantiate my claim to take what I want. That is all I am concerned with. I am entitled to it. The whole thing, as Sir Cowasji said, is somewhat outside the mark and upon the principle not to prophesy unless you know, it is just as well that we do not trouble ourselves about these things.

An Honourable Member: Is there an export duty on pepper?

Raja Bahadur G. Krishnamachariar: Not so far as I know.

An Honourable Member: Then what do you want?

Raja Bahadur G. Krishnamachariar: I will explain to the Honourable Member if he will come to me privately. I have finished. I entirely agree with Sir Cowasji Jehangir that it is somewhat premature to discuss what will happen in 1940, or in the Greek Kalends.

The Honourable Sir George Schuster: This has been a very pleasant discussion conducted among a somewhat small circle opposite in which I feel it is almost an intrusion on my part to offer my remarks, and indeed, Sir, it is extremely difficult for me to do so, as I am sure Honourable Members opposite will realise. One of the speakers has said that this debate has been carried on in an atmosphere of unreality. I feel that it is really a correct description of the position. Here we are, during these weeks, engaged upon the discussion of how we are to provide for the financial administration of India in the year 1934-35. Honourable Members will have already appreciated from my account of the position that, in order to meet all the needs, it is extremely difficult to find adequate revenue, and in these circumstances, to discuss the distribution by the Central Government of large shares of important sources of revenue, such as Taxes on Income, seems to me to import an atmosphere of unreality into our discussions. Whatever the position as between British India and the States may be, I trust that all Honourable Members, who are studying this matter, will look upon it in an atmosphere of reality.

I am not one of those who think that the Constitutional Reforms should be held up because of financial difficulties, but I do feel that those who are responsible for provincial administration, or likely to be responsible for it in the future, and who at present are looking to find a solution of their difficulties in the distribution of large sources of revenue by the Central Government are approaching this problem in an atmosphere of unreality. All the Governmental Authorities in India today and all the Governmental Authorities in India of the future, whether it be a Federal or any other form of Constitution, will have an extremely difficult task to provide sufficient funds from taxes in order to meet the expenditure which the public will demand; and it behoves all those, who are likely to carry any part of this responsibility, to exercise their ingenuity in considering how new sources of taxation can be tapped; with the least deleterious effect on the economic processes of India, and having done so, to make the public of India appreciate that that is the task that lies before them. I am one of those who believe that, so far as we can

[Sir George Schuster.]

see at present, it will be impossible to provide an adequately stable foundation for the finances of the Federal Government of India, without leaving to that Government a substantial share of the main direct source of taxation, namely, Taxes on Income.

I believe that, so far as the Provinces are concerned, the other possible sources of taxation have not received all the attention that they deserve, sources which are already at the disposal of Provincial Governments. I would remind the House that, in one of the first inquiries that was made into this matter in connection with the new Constitution by Sir Walter Layton, he put forward a very ambitious programme for the expansion of expenditure, particularly by the Provincial Governments, and he indicated a programme which could put 36 crores per annum at the disposal of the various Provincial Governments in India. In order to arrive at that amount, he relied only on taking 12 crores of what are central sources of taxation and left it to the Provincial Governments out of their existing sources to provide the remaining 24 crores. It has always seemed to me that that early attempt, although many of his figures and estimates have been falsified by what has happened since then, nevertheless was at least a more realistic approach to the situation than some, which have been made since then. Sir, I think that is all that I need say on this subject at present. I would only like to add in conclusion that there is no foundation whatever for my Honourable friend, Mr. Das' personal prophecy and that I hope that it will be falsified.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): I have only a little point to urge. As Bengal has been given half the export duty on jute, because jute is the monopoly of Bengal or, at any rate, most of the jute is produced in Bengal, except a little quantity in Bihar and Assam, may I also ask the Honourable the Finance Member to remember that Rajputana contributes about six crores on account of salt tax levied at Sambhar and Pachhbhadra, and while the financial adjustment between the Central Government and Rajputana takes place, will the Government of India consider the claims of Rajputana and Ajmer-Merwara for a refund, for Sambhar till lately was a part of the kingdom of Ajmer. It was in fact the capital of the kingdom. Give us at least one-tenth of this salt tax which Government derive from Rajputana. Just as Government have done justice to Bengal, will they remember the case of Rajputana? We have not got a terrorist movement, but we look after and keep terrorists safe, which Bengal finds it difficult to do. We are a peaceful people ourselves, and I hope that Government will carefully consider our claim on the lines of Bengal.

Mr. B. Das: Sir, when I raised a debate on this subject, there was no desire on my part to take away Rs. 100 from my Honourable friend, the Finance Member's pocket, as the subject in question is beyond the Government of India and is now under the purview of the Joint Parliamentary Committee. . . .

Sir Cowasji Jehangir: Is it a crime for the Honourable Member to allude to it?

Mr. B. Das: Therefore, I do hope, my Honourable friend, the Finance Member, will forward this debate to the Joint Parliamentary Committee (Hear, hear), and when the time will come for the appointment of the Finance Committee, I hope they will take note of the points that have been raised. If that assurance is given, I will withdraw my motion.

The Honourable Sir George Schuster: I have great pleasure, Sir, in giving my Honourable friend that assurance.

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

Mr. President (The Honourable Sir Shanmukham Chetty): Tomorrow morning the Nationalist Party will have its turn, and in the afternoon the Centre Party. The motion of the Nationalist Party also is under demand No. 28, and, therefore, this demand will stand over.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 7th March, 1934.

LEGISLATIVE ASSEMBLY.

Wednesday, 7th March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

POWERS OF THE MANAGER OF THE CENTRAL PUBLICATION BRANCH AS THE HEAD OF A DEPARTMENT.

398. ***Sardar Sant Singh:** Are Government aware that in the Departments of the Government of India, the heads of offices have full powers to deal with misbehaviour and misconduct of the staff serving under them? If so, do Government propose to declare the Manager of the Central Publication Branch as the head of a department for purposes of dealing with such cases?

The Honourable Sir Frank Noyce: Yes: the Manager of Publications has been given power to impose penalties on persons holding posts to which he is the appointing authority.

SIKHS AND MUSLIMS RECRUITED IN THE CENTRAL PUBLICATION BRANCH.

399. ***Sardar Sant Singh:** (a) Will Government please state the number of Sikhs and Muslims employed in the Central Publication Branch since its removal to Delhi?

(b) Is it a fact that no Sikh has so far been recruited in permanent, officiating or temporary vacancies in the lower divisions? If so, do Government propose to take special steps to give at least two future vacancies to Sikhs?

The Honourable Sir Frank Noyce: (a) I presume that the Honourable Member is referring to the ministerial establishment. If so, I would refer him to the reply which I gave on the 20th December, 1933, to parts (a) and (b) of his starred question No. 1457.

(b) The reply to the first part is in the negative. The second part does not arise.

RECRUITMENT OF BENGALIS IN THE CENTRAL PUBLICATION BRANCH.

400. ***Sardar Sant Singh:** Is it a fact that the Central Publication Branch is the monopoly of Bengalis? Do Government propose to issue orders to the Manager not to recruit in any future vacancies that may arise, whether permanent, temporary or officiating in the lower or upper divisions, men from Bengal unless and until the number from other provinces is equalised or at least brought to a decent strength?

The Honourable Sir Frank Noyce: The attention of the Honourable Member is invited to the replies given by me on the 20th December, 1933, to parts (c) and (d) of his starred question No. 1457.

EXEMPTION OF THE BIHAR EARTHQUAKE RELIEF DONATIONS FROM INCOME-TAX.

401. ***Lala Rameshwar Prasad Bagla:** Will Government kindly state whether they have considered the advisability of exempting the Bihar earthquake relief donations, both in cash and kind, from income-tax, and if not, do they propose to do so now and make a declaration to this effect immediately?

The Honourable Sir George Schuster: I would refer the Honourable Member to the reply which I gave to Mr. Gaya Prasad Singh's question No. 324 on the 2nd March, 1934.

WORKING OF STAFF IN THE CRACKED HEAD OFFICE BUILDING AT JAMALPUR.

402. ***Lala Rameshwar Prasad Bagla:** Is it a fact that the clerks had to and are still working in the cracked Head Office building at Jamalpur? If the answer be in the affirmative, are Government aware that it is risky, in view of tremors being repeatedly felt, to make people sit there?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 402 and 404 together.

Enquiries are being made from the Railway Administration, and a reply will be laid on the table in due course.

LEAVE GIVEN TO RAILWAY STAFF AT JAMALPUR AFTER THE EARTHQUAKE SHOCK.

403. ***Lala Rameshwar Prasad Bagla:** Is it a fact that the next day after the earthquake shock the staff of the Workshop and the Head Office at Jamalpur were asked to go on leave, and passes available till the 31st January were given to them? Is it also a fact that the Workshop and the Head Office were opened on the 22nd, and those who could not turn up for want of information were given forced casual leave instead of special leave granted to them? If so, do Government propose to treat this as special leave?

Mr. P. R. Rau: I have called for information, and will lay a reply on the table of the House in due course.

WATER CONNECTIONS AND LIGHTS GIVEN TO THE TEMPORARY COLONIES OF WORKERS AT JAMALPUR.

†404. ***Lala Rameshwar Prasad Bagla:** Will Government kindly state whether they have given water connections and some lights to the temporary newly raised colonies of Jamalpur workers, and if not, are they prepared to do it now? If not, why not?

† For answer to this question, see answer to question No. 402.

RESIDENTIAL ACCOMMODATION FOR POSTAL OFFICIALS STATIONED AT OOTACAMUND.

405. ***Mr. K. P. Thampan:** (a) Is it not the policy of the Government to provide residential accommodation for their servants at places where they are not available at reasonable rates of rent?

(b) Are Government aware that Ootacamund is a hill station, commonly known as the "Queen of the Hill Stations", situated about 8,000 feet above sea level, is the seat of the Madras Government for seven months in a year and is the summer residence of a good many princes, ruling chiefs, gentry, officials and non-officials, European and Indian, and that the Local Government of Madras have provided residential accommodation for almost all the staff under their administrative control at Ootacamund (Nilgiris) at reasonable rent?

(c) Are Government aware that postal officials at Ootacamund (Nilgiris) experience great difficulty in securing residential accommodation and that most of them are housed in insanitary or unsuitable quarters and that they pay invariably exorbitant and unreasonable rates of rent?

(d) Were the grievances of the postal officials stationed at Ootacamund in regard to this subject brought to the notice of the Government at any time?

(e) Have Government any idea of providing suitable residential accommodation for the postal staff at Ootacamund as they have done at Delhi, Simla and other places? If not, why not?

The Honourable Sir Frank Noyce: (a) Although the absence of suitable accommodation at a reasonable rent is one of the factors taken into consideration by Government when considering the provision of residential accommodation for their servants it is not a fact that it is the policy of Government to provide such accommodation in all such cases.

(b) The reply to the first part is in the affirmative. As regards the second part I understand that residential accommodation has been provided by the Local Government for a certain number of their servants only.

(c) Government are aware that the postal staff at Ootacamund experience a certain amount of difficulty in finding residential accommodation in the immediate neighbourhood of the Post Office and that rents are high, but have no information as to the suitability of the quarters actually occupied by the staff.

(d) Yes.

(e) The case of the Government staff at New Delhi and Simla is exceptional. Government do not consider that the position in regard to the housing of the Postal staff at Ootacamund is such as would justify the formulation of any scheme for the construction of quarters under present financial conditions. The postal staff at Ootacamund draw compensatory allowances at specified rates.

Mr. K. C. Neogy: Does the Honourable Member accept the statement that "Ootacamund is the Queen of Hill Stations" as correct?

The Honourable Sir Frank Noyce: Yes, Sir, as I come from the Madras Presidency myself.

COMPENSATORY ALLOWANCE TO THE POSTAL OFFICIALS EMPLOYED IN THE NILGIRIS.

406. *Mr. K. P. Thampan: (a) Are Government aware that the staff under the Local Government stationed at Ootacamund and other places in the Nilgiris are granted compensatory allowance far in excess of that granted to postal officials employed in such places?

(b) Is it not a fact that the question of granting compensatory allowance to the postal officials employed in the Nilgiris, at the same rates as the Local Government have prescribed for their servants stationed in the said locality, has been pending before Government for over half a dozen years?

(c) Have Government any idea of redressing the grievances of the postal employees on this subject in the immediate future?

The Honourable Sir Frank Noyce: (a) Although the rate of compensatory allowance for Madras Government employees of the clerical class is slightly higher than that drawn by the Postal officials of corresponding status, the latter are on a better scale of pay.

(b) On account of the unsatisfactory state of the finances in the Posts and Telegraphs Department, proposals for increasing the existing rates or making new grants of compensatory allowances or special pay have had to be refused generally in all circles on the ground of the additional expenditure involved.

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

PUBLICATION OF NEWSPAPERS IN QUETTA.

407. *Mr. M. Maswood Ahmad: (a) With reference to the answers to my starred questions Nos. 1449 and 1450, dated the 20th December, 1933, laid on the table of the House on the 13th February, 1934, will Government please state if they have taken up with the local authorities the question of the application of less drastic conditions for permission to edit and publish newspapers in Quetta? If so, will they be pleased to lay a copy of the conditions now applied on the table of this House?

(b) If they have not yet taken up the question, do they propose to consider the desirability of doing it at an early date and to communicate the result to the House?

Mr. H. A. F. Metcalfe: (a) The question referred to in the answer to parts (d) and (e) of the Honourable Member's question No. 1449 of the 20th December, 1933, has been taken up already with the Local Administration whose recommendations are awaited.

(b) Does not arise.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

408. *Mr. Gaya Prasad Singh: (a) Will Government be pleased to state to what extent they intend to act up to their orders on Recommendation No. II of the War Pensions Committee, and is it a fact that claims are held back as per instances given in the brackets (Mountain Artillery Training Centre No. R./23/1/352, dated the 26th January, 1934, 1/9th Jat Regiment letter No. 1069/34/1, dated the 9th November, 1933; Sapper and Miner Records No. R./107/2776/12, dated

the 11th January, 1934), by their Officers Commanding, and other administrative officers? Is it not their *locus standi*, for the purposes of adjudication of pensionary claims, that of a claimant, *vide* paragraph 44 of the Financial Regulations, Part I, and A. I. I. B-20 of 1927?

(b) To what extent will their adjudication with regard to the question "no sufficient grounds to forward, or to re-open a particular claim" be allowed?

(c) Is there any remedy if the Officer Commanding refuses to forward a particular claim to the sanctioning authority? If so, what?

Mr. G. R. F. Tottenham: With your permission, Sir, I propose to answer questions Nos. 408 to 414 together.

The questions are being carefully examined and a reply will be laid on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†409. *Mr. Gaya Prasad Singh: Will Government be pleased to state to what extent they are prepared to act up to their orders on Recommendation No. III of the War Pensions Committee, admitting a right of appeal against a finding of "not attributable to military service", and to what extent has this right of appeal been denied under the cover of "professional aspect of the case" against which no appeal is admissible as per instances in bracket (D. C. M. P. letter No. G.-3/1378, dated the 15th February, 1934, and G.-3/5138, dated the 17th November, 1933)?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†410. *Mr. Gaya Prasad Singh: Will Government be pleased to state to what extent they are prepared to act up to their orders on Recommendation No. V of the War Pensions Committee, accepting the presumption that all disabilities contracted on field or foreign service during the War were, in fact, "attributable to military service"? Is it a fact that as per instances in the bracket (D. C. M. P. letter No. G.-3/1378, dated the 15th February, 1933, and G.-3/2463, dated the 29th November, 1933), the decisions of original or fresh medical board convened in pre-committee period, adjudicating the term "attributable to military service", in accordance with pre-committee principles has been held as amounting to "sufficient evidence" clearly to rebut such a presumption?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†411. *Mr. Gaya Prasad Singh: Will Government be pleased to state to what extent they intend to act up to their orders on Recommendation No. VII of the War Pensions Committee? Do Government admit full arrears in claims (i) which are not belated, or (ii) wherein no explanation for delay is necessary, or (iii) the explanation for delay is satisfactory?

†For answer to this question, see answer to question No. 408.

If so, have Government allowed their Pension Controllers to go back on them as per instance in brackets (D. C. M. P. letter No. G.-3/3610, dated the 6th December, 1933, and No. G.-4/5414, dated the 16th January, 1934)? If so, in what way?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†412. ***Mr. Gaya Prasad Singh:** (a) Will Government be pleased to state how far they are prepared to act up to their orders on Recommendation No. IX? Is it a fact that their Pension Controllers have taken the assessments, in percentages of disabilities, made by fresh medical boards, in 1923—1931 to be the percentage thereof, as existing during the War 1914—1922?

(b) Will Government be pleased to state whether it is a fact that a reference has been made to the Secretary of State for India with regard to the scope and applicability of this recommendation?

(c) Is it not a fact that pending the disposal of the reference made to the Secretary of State, all claims submitted with reference to this recommendation have been disposed of in a way adverse to the interests of the claimants and adverse to the spirit and letter of the recommendation?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†413. ***Mr. Gaya Prasad Singh:** (a) Will Government be pleased to state how far they are prepared to act up to their orders on Recommendation No. XII of the War Pensions Committee, taking the onus on themselves to prove that an individual is not entitled to pension?

(b) Is it a fact that Government have shifted the "onus" to the claimants, in cases where claims are supported either by the production of a discharge certificate, or by the admission of an Officer Commanding to the effect that an individual was invalided from field service on account of some wound, injury, or illness, or was operated upon, or treated in some hospital during the War?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†414. ***Mr. Gaya Prasad Singh:** (a) Will Government be pleased to state how far they are prepared to act up to their orders on Recommendation No. XIII admitting not to take adverse presumption for the "loss or failure to produce record, which, according to rule, should be permanently retained"?

(b) To what extent have their Pension Controllers, or Commanding officers, or other administrative officers taken adverse presumptions almost in every claim, of which the letters in brackets are a few instances (G8/3168, dated the 19th December, 1929, of the Deputy Controller of Military Pensions, Lahore, and letter No. 1069/34/A, dated the 9th November, 1933 of 1/9th Jat Regiment)?

†For answer to this question, see answer to question No. 408.

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 6th March, 1934, agreed, without any amendments, to the following Bills which were passed by the Legislative Assembly at its meeting held on the 26th February, 1934, namely:

1. A Bill further to extend the operation of the Wheat (Import Duty) Act, 1931;
2. A Bill to amend the Indian Medical Council Act, 1933, for a certain purpose;
3. A Bill further to amend the Cotton Textile Industry (Protection) Act, 1930; and
4. A Bill to continue for a further period the provisions made by certain Acts for the purpose of fostering and developing the Steel Industry and the Wire and Wire Nail Industry in British India."

THE GENERAL BUDGET—LIST OF DEMANDS—contd.

Second Stage—contd.

DEMAND No. 28—EXECUTIVE COUNCIL—contd.

Mr. President (The Honourable Sir Shanmukham Chetty): The first cut motion to be taken up for consideration is No. 179 under demand No. 28*. This discussion must close by Lunch time, and Honourable Members are requested to keep that in view.

Reorganisation of the Public Services under the proposed Federal Constitution.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I beg to move:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

My intention is to call the attention of Government to the necessity for reorganising the public services in view of the proposals of His Majesty's Government. Honourable Members need not be told that in the Parliamentary Act it is now definitely stated that it is the considered policy of His Majesty's Government that there shall be progressive Indianisation of all branches of the administration. In accordance with that policy of the British Parliament, there has been a gradual development of Indianisation in some branches of public administration. In 1924, when the Royal Commission on Public Services was appointed, they went into the whole question of Indianisation and recorded their considered view to the effect that in the transferred field the services must be provincialised. I give to the Honourable Members two short passages from the report of the Royal Commission, and I shall read to the Honourable Members their formulated views in the shape of summary of recommendations. On page 8 of the report of the Lee Commission occur the following two passages:

"In the transferred field, the responsibility for administration rests on Ministers dependent on the confidence of Provincial Legislatures. It has been represented to us that although Ministers have been given full power to prescribe policy, they

*"That a sum not exceeding Rs. 73,000 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, 1935, in respect of 'Executive Council'."

[Sir Hari Singh Gour.]

might be hampered in carrying it out by the limitations to their control over the all-India Services inasmuch as the members of these services unlike those of Provincial Services are appointed by the Secretary of State and cannot be dismissed except by him while their salaries are not subject to the control of the local Legislatures. The Ministers themselves have told us that the all-India officers serving under them have, with negligible exceptions, given the most loyal support in carrying out their policies, but the constitutional anomaly remains that the control over the transferred field contemplated by the framers of the Government of India Act has remained incomplete. Our proposals are framed to remedy this particular anomaly."

Then, at page 62, they give a summary of their recommendations in the following words:

"For the purposes of Local Governments, no further recruitment should be made to the All-India Services as such operating in transferred fields. The personnel required for these branches of administration should in future be recruited by Local Governments."

—and then they add a note about the Medical Services—

"Local Governments should have power to make rules to regulate not only the public services which will take the place of the present All-India Services operating in transferred fields, but also the existing Provincial Services. The Secretary of State should make the necessary delegation of powers under section 96B of the Government of India Act accordingly."

Now, this was the recommendation of the Lee Commission. Acting upon that recommendation, the Secretary of State made rules under section 96B of the Government of India Act authorising the Local Governments to recruit and regulate their method of recruitment to the Provincial Services. That was the position when the Round Table Conference met in London. The Round Table Conference appointed a very strong Sub-Committee consisting of 34 members, of whom three members are at the present moment Members of this House, Mr. Mody, Sir Cowasji Jehangir and Mr. Ghuznavi, and they, by a majority, recommended that in future all recruitment to the All-India Services should be by the Government of India and not by the Secretary of State, and, secondly, they said that in their opinion recruitment for judicial offices should no longer be made in the Indian Civil Service. These are the recommendations of the Round Table Conference. But when the White Paper proposals were published, we found that the recommendations of the Round Table Conference on the question of the services were entirely ignored and in the White Paper proposals the present method of recruitment was to continue and for a period of five years after the commencement of the new Constitution Act. Honourable Members will find in the introduction to the White Paper, pages 35-36, paragraph 72, a summary of the proposals of the White Paper and that is repeated on a later page to which I have already referred. It is provided in the White Paper that the present method of recruitment will continue for a period of five years after the commencement of the Constitution Act, and that, at the expiry of five years from the commencement of the Constitution Act, a Statutory Enquiry will be held into the question of future recruitment for the All-India Civil Services and Indian Police, and the Government of India will be associated with the enquiry. But the decision on the result of the enquiry will rest with His Majesty's Government and will be subject to the approval of both Houses of Parliament. Pending the decision of this enquiry, the present ratio of British to Indian recruitment will remain unaltered. Then, it went on to say that the question of continued recruitment by the Secretary of State to the Superior Medical

and Railway Services was under examination, and His Majesty's Government hoped to submit their recommendation in this matter later on to the Joint Select Committee.

I may inform Honourable Members that while the Indian Delegation were sitting with the Joint Select Committee, the recommendations of His Majesty's Government were not submitted to the Joint Select Committee on the question of Superior Medical and Railways Services, so that the Joint Select Committee had not had the advantage of hearing the Indian delegates on these two services. But the Indian delegates made it abundantly clear that they could not see eye to eye with the White Paper proposals, and they questioned the Secretary of State as to how he reconciled his views with the policy of the Government of India Act and the recommendations of the Lee Commission. It was pointed out to him in the course of the examination that the Lee Commission had rightly pointed out that it would be a constitutional anomaly to continue an all-India Service amenable to the Secretary of State when there is a complete provincial autonomy, and the constitutional position which underlies the recommendations of the Lee Commission is this: that as soon as full provincial autonomy is established, the Provinces become directly responsible to the Crown and they become to that extent independent of the Secretary of State. If, therefore, in the Provinces you keep up an All-India Service recruited by the Secretary of State responsible to him and to him only, you are creating an anomaly in that while the Government are not responsible to the Secretary of State, the services operating in that Government are responsible to the Secretary of State.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Where does the Honourable Member get the idea that the Government are not responsible to the Secretary of State in the Provinces after provincial autonomy, but will be directly under the Crown?

Sir Hari Singh Gour: The very crux of the foundation of provincial autonomy is that the Provinces will become responsible only to the Crown and the Legislature, and, to that extent, the Legislature will control the action of the Provinces and the services will not be responsible to the Legislature, nor will they be responsible to any authority in India, but they will be responsible to an outside authority independent of the Provinces and of the Government of India.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Where does my Honourable friend find that when provincial autonomy is introduced, the Provinces will be responsible only to the Crown?

Sir Hari Singh Gour: Honourable Members will find that if there was one point upon which the Indian delegates were emphatic and unanimous,—Hindus, Muslims, Christians and also Europeans, as the covering letter of Sir Hubert Carr as the representative of the European community in India shows,—they emphatically demanded that in order that the Provinces should have full scope for realising provincial autonomy, it was necessary that the services should be provincialised, and, in saying so, they used the following words to which I would draw the attention of this House. In paragraph 30 of the joint memorandum, they said:

"No part of the White Paper proposals has caused more dissatisfaction in India than the provisions relating to the public services."

[Sir Hari Singh Gour.]

And, then, in sub-clause (2) of paragraph 31, they say:

"Very strong objection has been taken in India to this part of the scheme which is, it may be noted, not in accordance with the recommendations of the Services Sub-Committee of the Round Table Conference. We consider that after the passing of the Constitution Act recruitment for the Central services should be by the Federal Government and for the provincial services including the Indian Civil Service and the Indian Police should be by the Provincial Governments who should have full power to determine the pay and other conditions of service for future recruits and also the proportion of Europeans that should be recruited."

There is a foot-note:

"Sir Henry Gidney dissents from this proposal."

I do not know from what he dissents, but, at the time when this proposal was under discussion, my Honourable friend, Sir Henry Gidney, did not express any dissent with the outline of the proposals that were discussed in a joint meeting of the Indian delegation. Then the Indian delegates go on to say:

"There would be a very substantial European element in the two key services for another generation even if European recruitment were completely stopped after the passing of the Act. The proposal that a Statutory Inquiry should be instituted after a period of five years is open to very strong objection. A problem of European recruitment cannot be considered in isolation; it is very closely connected with standards of administration, the state of communal feeling and other factors which are of a very controversial nature and raise political issues. Any such inquiry, even of an informal nature, would therefore, have a grave disturbing effect on the political atmosphere and would seriously affect the relations between the services and the legislature."

Now, Honourable Members will remember that all these points were brought to the notice of the Secretary of State in the course of his examination by the Indian delegation. One of us read to him a passage from the Lee Commission's report and asked him whether it was not a constitutional anomaly to continue the present method of recruitment under the new Constitution Act; and his answer was that it would be a constitutional anomaly. That was admitted. Then the next question that was put was, on what ground did he justify a departure from the considered views of the Lee Commission and of the Round Table Conference? And his reply is contained in question 11701 at page 1077. He says:

"What I should have thought most important to retain was a breathing space in which things would settle down."

All that he wanted to do was, he said, to continue the present method of recruitment for a period of five years. Now, Sir, as I have pointed out, Indian opinion is insistent upon one fact and that fact is that if the Provinces are to have any substantial measure of autonomy, the instrument by which that autonomy is to be worked must be within their own control, and that, if recruitment is to continue by the Secretary of State, it would impair from that degree of autonomy which it is the established policy of the White Paper to establish in the Provinces. That, I submit, was the view of the Ministers whom the Lee Commission examined in 1924. That was under a dyarchical system of Government. *A fortiori* it would be the case when under the proposals of the White Paper we have full provincial autonomy. I, therefore, submit that this House should concur in the decision of the Round Table Conference and in the representation contained in the joint memorandum of the Indian delegation and record its view that the reorganisation of the public services in India cannot be deferred for a period of five years after the commencement of the Constitution Act. I

wish to point out to the Honourable Members of this House that it is in the interest of the public services themselves that an inquiry should be immediately made and the services reorganised. I say it is in the interest of the services themselves for the very cogent reason recorded by the Simon Commission when dealing with the question of the reservation of law and order. The Simon Commission pointed out that if once in the Provinces all branches of administration are transferred and law and order is reserved, it will become a focus for organised attack and the police will be looked upon as an instrument of a foreign bureaucracy still lingering in the dark recesses of provincial autonomy. I should use the same argument and say that, in the interest of the public services in this country, it is necessary that the servant should feel that the responsibility is to the Provinces and the Provincial Legislatures and that they should not be buttressed and supported by an outside authority who would not know the local conditions prevailing in the Provinces. These high-souled gentlemen, who come to the Provinces to help in the fulfilment of the hope that was aroused by the enactment of the Act of 1919, would be the first to say that they should receive the popular support of the Provincial Legislatures in their day to day duties and that the Legislature should not look askance at them for all their acts and doings, however justifiable those acts and doings might be.

Then I cannot forget that with the reorganisation of the services there would be a substantial measure of economy. In answer to a question put to the Secretary of State, if the White Paper proposals went through, as to how many

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can take five minutes more and conclude.

Sir Hari Singh Gour: as to how many members would be recruited between now and the initiation of the inquiry, he said, roughly speaking two hundred. I wish to ask Honourable Members of this House that if you were to have 200 more Members between now and five years hence, and it may take another five years for the inquiry to be completed and perhaps another five years for Parliament to agree with the report of the Commission—altogether you may have 400 or perhaps 600 Members with existing and accruing rights, and it would saddle a very heavy financial responsibility upon this country if this inquiry is not held forthwith as the Indian public opinion and the Indian delegation demand.

If I had time I would like to have mentioned one or two other facts, but let me very hurriedly refer to them. It is not merely a question of recruitment, but the question of control; and the weakest part of the White Paper scheme is contained in Appendix VII which deals with the existing and accruing rights of the All-India Services which are to be preserved under the new dispensation. What are those rights? I have not got the time to go through them, but I shall very cursorily mention two or three of them. One is that the reservation of those posts will be in the hands of the Secretary of State: whether the Provinces want them or not, the Secretary of State will say "So many members of the All-India Services are quartered upon your Province: employ them in the best way you can, but you will have to pay for them". Second, determination of the strength, that is, the number. Third, provision that posts borne on the cadre of All-India Services shall not be left unfilled for more than three months. You may find that it is not necessary to fill a post for six months or you

[Sir Hari Singh Gour.]

may want to economise, but you cannot keep that post vacant for more than three months. Then, the appointment of any one who is not a member of an All-India Service to posts borne on the cadre of such a service, however desirable that incumbent may be and however necessary his services may be for the working of provincial autonomy, these rules prohibit his employment in that Province in supersession of a member of the All-India Services. Not only that, but the Secretary of State is to control the posting of the members of the All-India Services, and the personal concurrence of the Governor shall be required to an order of posting of an officer of an All-India Service and the right of complaint to the Government against any order of an official superior in a Governor's Province and direction to the Governor to examine the complaint and to take such action as it may appear to him just and equitable: the Minister will be always in the criminal's dock if this provision goes through, because the moment he comes in conflict with a member of the All-India Services, the All-India Services will have recourse to the Governor and the Minister will have to justify his action as required by these Devolution Rules. Sir, I do not wish to elaborate this point. It was very exhaustively brought to the notice of the Secretary of State and the view of the Indian delegation was that the Secretary of State has not been able to justify these drastic provisions in favour of the All-India Services. I, therefore, move that the question of the reorganisation of the All-India Services should be taken up forthwith and the reorganised services should function under the reformed Government.

I have one more word to add and that is this: if the reforms adumbrated by the White Paper pass on to the Statute-book, members of the All-India Services will have to discharge entirely new functions to those which they have been accustomed to do under the present Government of India Act, and I, therefore, submit that it is all the more necessary that we should reorganise the Indian services in view of the altered conditions which would be ushered in by the new Constitution Act. Honourable Members will remember that, under section 96B of the Government of India Act, we have at the present moment the power, subject to the approval of the Secretary of State, to make rules—I will give the Honourable Members the exact words: section 96B (2) lays down:

"The Secretary of State in Council may make rules for regulating the classification of the civil services in India, the methods of their recruitment, their conditions of service, pay and allowances, and discipline and conduct. Such rules may, to such extent and in respect of such matters as may be prescribed, delegate the power of making rules to the Governor General in Council or to Local Governments, or authorise the Indian Legislature or Local Legislatures to make laws regulating the public services."

I submit, therefore, that under the present law the Indian Legislature has conceivably the power of making laws for the regulation of the public services, and I submit that that power should not be taken away by the new Constitution Act which is intended to make an advance upon the present Government of India Act. I beg, therefore, to submit—and this is my last word—that, under the new Constitution Act, the Secretary of State is to have what is called advisers, and some of them will be service men; and the Indian delegation strongly objected to the position that the Secretary of State with the service advisers should have complete control over the All-India Services. I, therefore, submit that the motion that I have the honour to move should receive the support of all sections of the House,

Hindus and Muslims, elected and nominated, because, to my great gratification, I read in the papers only the other day that the joint memorandum of the Indian delegation had been unanimously acclaimed by the joint meetings of the Muslim League and the All-India Muslim Conference. I, therefore, crave the support of all sections of this House to this very necessary reform in the public services, without which neither provincial autonomy nor central responsibility would be of that moment which we all desire that it should be.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, it has given me very great pleasure to listen to the very able speech just now delivered by my esteemed friend, Sir Hari Singh Gour. He has pointed out to us all the details from the very beginning when the question was being analysed. He has also told us what view Indians hold in this matter. There is no doubt that there is the greatest unanimity on this question in all sections of the Indian population, and one need not support my friend, Sir Hari Singh Gour, by quoting from other documents like the Reports of various Commissions and Conferences which have been held from time to time. It is enough for me if I say that his voice is the voice of India at present. (Applause.) I have attended the meetings of the All-India Muslim League and the All-India Muslim Conference, and I can personally testify to the fact that they have all supported with one voice the joint memorandum of the 12 Members of the British Indian Delegation which was submitted on this question to the Joint Select Committee.

Besides this, Sir, I would put forward one more argument. We have experience of the dyarchical form of Government. We have for the last 13 years now that sort of Government in the country. We know how it has fared in the different Provinces where self-respecting Ministers, holding independent views and having their own policies to carry out, had to contend with numerous difficulties. Where the Ministers only followed the dictates of some higher officials, I admit, matters have gone on smoothly. But the question is that we are now in different times. We are not in 1922; we are now in 1934, and Providence only can say how long it will take for the new Reforms to be inaugurated in India. By that time, I am sure, the country would have gone a long way towards something of a crisis I should say, and, therefore, it would be much better if the Government considered this question carefully at this opportune moment. If there is dyarchy in services, it will be a tremendously difficult task for the Governors of Provinces to carry on their administration. From the evidence tendered by the Right Honourable Sir Samuel Hoare before the Joint Select Committee, I find that he himself thinks that he wants only breathing time for things to settle down, and he is perfectly right in saying that it cannot be the lasting feature of the reformed Constitution. For those very reasons I contend that the reformed Constitution must be based on full control by the Ministers of all those Departments which will be placed in their charge. That feature is so obvious. I myself had discussions with some of my Minister-friends, and they confess that the restrictions and limitations put upon them in respect of the control of the services are the greatest handicaps in their way. They feel that no respectable Minister, no Minister holding independent views, having a policy of his

[Maulvi Muhammad Shafee Daoodi.]

own to carry out in the best interests of the people, would care to take up the reins of Government unless he felt that he had got the instrument under control to carry out his wishes in the administration of the country, unless he felt that his views were bound to be respected and brought into action by those who were in charge of the various Departments under him. If that feeling of security is not there, no respectable Minister would come forward to assume the reins of Government with pleasure. If dummy Ministers again come up to take charge of the Government, it would be very difficult for the Government to make the Constitution popular, because it is the popular men alone who can make the constitution also popular with the people. For all these reasons, I submit that the motion moved by my friend, Sir Hari Singh Gour, has my full support.

Mr. Bhuput Singh (Bihar and Orissa: Landholders): Sir, I have great pleasure in supporting the motion just moved by my Honourable friend, Sir Hari Singh Gour. This motion deals only with one aspect of the White Paper proposals, namely, the services which are composed mainly of three parts, firstly, the Imperial Services recruited by the Secretary of State, secondly, the All-India Services recruited by the Government of India, and, thirdly, the subordinate services recruited by the Provincial Governments. As far as I am concerned, I would mainly deal with the Imperial Services which are better known in India by the Lloyd Georgian epithet of the steel frame of the Indian constitution. I think, Sir, even the present Round Tablers representing the United Kingdom accepted the same dictum of the steel frame in regard to the services, and, therefore, they laid more stress on the question of the reservation of the rights of the services than with provincial autonomy or with Central responsibility. They know in their heart of hearts that, let India have any reforms they like, but if she can be forced to accept the position of the services as propounded in the White Paper, then India's bondage hereafter will be a thousand times greater than with all the other safeguards combined.

Now, Sir, let us consider the position in more detail. In paragraph 71 of the proposals, all the present rights enjoyed by the Imperial Services recruited by the Secretary of State have been stated, and, after enumerating them, it is further added there as follows:

"It is intended to safeguard these rights and to extend them to all persons appointed by the Secretary of State after the commencement of the Constitution Act with the exception of the right to retire under the regulations for premature retirement; this right it is proposed to give only to officers appointed to the Indian Civil Service and Indian Police up to the time when a decision is taken on the result of the inquiry indicated in paragraph 72.

Certain members of the Provincial and Central Services, though they may not have been appointed by the Secretary of State in Council, have also rights for the preservation of which he is responsible. These, too, will be secured."

It means that not only the present rights enjoyed by the steel frame services will be continued by them in the future, but even those privileges are being extended to all persons recruited by the Secretary of State even for technical appointments on a contract basis. In other words, the future Indian Ministers responsible to the Indian Legislature will have no control over their own subordinates belonging to these services manned by the Whites. This applies not only to the Centre, but this applies even to the Ministers of the Provinces which are going to be dubbed with the big, high sounding, name of the Autonomous Provinces. I wonder at the impudence of the British Cabinet and the Secretary of State who

think that Indians are all fools not to understand the real game of reserving the present rights of the services in the body of the Constitution Act itself.

Sir, even a man with no political education or acumen shudders when he goes through the 18 points mentioned in Appendix VII, Part I, to the White Paper proposals enumerating the present rights of the services. I could have excused the services and the British Cabinet if they would have only desired to have a *bona fide* safeguard about the security of their appointments. But, Sir, they do not want to have only safeguards in the form of security of appointments, but they want something more. They are not even satisfied with the present rights, but they want further rights to be ensured to them by which they would be able to ignore the Ministers under whom they would be required to serve. If I am to deal with all the eighteen points in Appendix VII, Part I, then it will be a volume by itself and the small space of time at my disposal is not sufficient to deal with them. I would only bring to the notice of the House a few of the rights which must be abrogated if the Constitutional Reforms are anything worth the name. Firstly, I take item No. 15 which reads as follows:

"Personal concurrence of the Governor required to an order of posting of an officer of an All-India Service."

It means, not to speak of any other punishment, even a Minister will not have the right of transferring an officer belonging to the tin gods without the concurrence of the Governor or the Governor General. Then, Sir, I come to item No. 3, dealing with the existing and accruing rights which reads as follows:

"Guarantee to persons appointed before the commencement of the Government of India Act, 1919, of existing and accruing rights or compensation in lieu thereof."

In this connection, I may state that the words "accruing rights" have already been defined by the Law Officers of the Crown. In spite of that fact, the public services demand these terms to be incorporated in the Constitution Act and the Secretary of State, as is evident from the White Paper proposal, is conniving with the services in retaining these ambiguous terms. With your permission, Sir, I would like to read questions by Sir Abdur Rahim and Sir Hari Singh Gour, when examining the witnesses representing the I. C. S. Associations, Sir Abdur Rahim put the following question: (Question No. 79).

"Q. As regards the accruing rights, are you aware that that has been the subject of interpretation by the Legal Officers of the Crown?"

A. Yes, I am quite aware of that, and I know that they hold the abolition of a Commissioner's post would not fall under the expression 'accruing rights', because it is a selection post, and not a post which an officer has a claim to get by seniority. I am quite aware of that, and that is one of the reasons why we ask that there should be a definition, to some extent. Of course, it is very difficult to have an exact definition, but a definition, to some extent, of 'accruing rights' giving the Secretary of State power in doubtful cases to say whether a particular loss of an appointment would fall under an officer's accruing rights, or not."

Then, Sir Hari Singh Gour put some questions, and, summarising the whole thing, he put the following question: (Question No. 136.)

"Q. It then comes to this: You want that a new provision should be inserted in the New Constitution Act which would enlarge your rights beyond what is interpreted to be your existing and accruing rights in the opinion of the law officers of the Crown?"

A. That is so. Lord Peel expressed his intention of doing so a good many years ago."

[Mr. Bhuput Sing.]

If we are to follow this sort of reforms, it is better that we do not have any Constitutional Reforms at all. India, after the 1919 Reforms, thought that she would get further advance, but in giving her further Reforms her bondage to the services is being increased. In the name of the Reforms, she is being mortgaged to the public services of the country. In this connection, Sir, I would remind the Secretary of State to remember how he would like the idea if the Minister gives these very privileges to the Provincial Services who would be recruited by the Provincial Government. How would an officer belonging to the autocratic Imperial Services like the idea if he is not allowed to have any controlling power over the subordinates working under him? Sir, to my mind, if, with this spirit of suspicion, the services are to work under the Ministers, then I am positive that the whole Constitution would come to a deadlock in no time, and whatever powers the Governor may be given, it would be beyond his powers to carry on the administration. I would not be surprised if, following the example of the Superior Services, the subordinate services would also ignore their own immediate superiors. The subordinate services would have sufficient justification to think that if the Superior Services can flout the Ministers who are their superiors, then there is no reason why they in their turn cannot ignore their own immediate superiors who would be none else but the personnel belonging to these heaven-born services. If the future Constitution is to be an advance on the present constitution, then out of the 18 items of existing rights, I for one would agree only to allow the services to retain the rights such as will give them only the security of their appointments and a right of appeal to the Secretary of State. Even this is too much of a liberty given, but I am prepared to allow these rights to the services who are recruited before the coming into force of the Constitution Act, and nothing further. If the White Paper proposals are really meant to be a further advance in constitutional progress of the country, the first and foremost thing required is the handing over of the control of the services to the Ministers either in the Centre or in the Provinces. To my mind this should be the pre-requisite before the question of the acceptability of the reforms can be considered. After the enforcement of the Constitution Act, the whole power of recruitment should automatically be transferred to the Government of India, *i.e.*, the Governor General, or the Governor, as advised by his Ministers, and the only right thereafter that the services may be permitted to enjoy is the right of appeal to the Supreme Court when established in cases of dismissal only. So long as the public services are not reorganised on these lines and so long as they are not made to understand that they are really public servants and not public masters, any further advance will be useless. Unless and until the services are made to understand that they are no more the spoilt children of the Secretary of State, but that they in future will have to abide by the orders of their adoptive father, the Government of India, Indians of all sections would and must resist this state of things. Sir, India agitated for further reforms and hoped to get an eatable constitution, but, instead of that, she is being given stones and a cup of further misery. She wanted to be free, and instead she is being thrown into captivity at the hands of the public services. I emphatically protest against the proposals of the Secretary of State to retain under his control the public services of India.

Lastly, I have one more word to say. It is rather surprising to find that the Secretary of State is just like clay in the hands of the I. C. S.

Association and also the Retired I. C. S. Association. The memoranda submitted by these Associations demanded certain rights and we find all of them incorporated *verbatim* in the body of the White Paper proposals. For the information of the House and with your permission, Sir, I will read the following extract from the memoranda

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must now conclude.

Mr. Bhuput Sing: How many minutes more have I got, Sir?

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member may take two minutes more.

Mr. Bhuput Sing: In paragraph 5 they say:

"It is essential that the Governor should be in touch with the services, and in the case of the Indian Civil Service this result would be best ensured if proposals relating to postings, transfers, promotions and similar matters, were placed before the Governor by an officer of the rank of Chief Secretary."

It is surprising that, though hundreds of memoranda were submitted to the Secretary of State by different political bodies of India, yet none of them were given so serious a consideration and incorporated *verbatim* in the White Paper as was the case with the memoranda of these two particular Service Associations. It shows particularly how great is the concern of the Secretary of State for satisfying the Associations of the public services of India and the reasons for such concern are not far to seek. His main idea about the public services in India is that they must contain a sufficiently large number of British elements and, for bringing them into the field, he wants to put these bribes before them, so that they may be attracted in larger numbers.

In conclusion, Sir, I say that Mr. Lloyd George described the public services of India as a steel frame of the Indian Constitution, whereas I would like to describe the public services in India to be white ants which would eat up the very foundation of the proposed Constitution.

Lieut.-Colonel Sir Henry Gidney: I must congratulate Sir Hari Singh Gour on having placed before this House, in a very lucid manner, 12 Noon, the position as far as it relates to the claims of India and the Government of India to control, administer and recruit their own public services, and when my friend, Mr. Shafee Daoodi, said that Sir Hari Singh Gour's speech was the voice of India, I gladly join him. I also join in the demand that Sir Hari Singh Gour has made, but with a definite proviso. I can only explain this by referring to the note of dissent I made on this one point in the memorandum the British Indian Delegation submitted to the Joint Parliamentary Committee. I felt, rightly or wrongly, that at least during the transition period India did require and must have the services of the British element, and, for that reason, I entered my note of dissent in this Report on this point. I would have been more correct had I stated that my dissent existed only for the time being, *i.e.*, during the transitional period. The reasons given by Sir Hari Singh Gour, when he emphasised the anomalous resulting positions are irrefutable. I submit, if India is to be given self-government, if the Governments in this country, Central and Provincial, are to be given complete autonomy, they must have the right

[Lieut.-Colonel Sir Henry Gidney.]

of recruitment and control of their own services. Sir, in my opinion, two of the most lamentable omissions of the last Joint Parliamentary Committee were the absence of any evidence to show how the transferred subjects were operating in the Provinces, and the want of adequate opportunity, except in very general terms, to delegates who attended, either to hear or to give any evidence so far as the working of the All-India Services was concerned. I think it was on the last day of our sittings with the Joint Select Parliamentary Committee that I was asked to introduce the question of the Indian Medical Service. I think it was within 20 minutes to half an hour before the Committee dissolved and I had to rush through the matter for want of time. Indeed we had to go at such a pace with our agenda that many important subjects were denied our serious consideration. I think there was only one evidence given regarding the working of transferred subjects in the Provinces. It was when the Indian Medical Service deputation was examined and Colonel Baird and Colonel Dunn, retired members of the Indian Medical Service, were examined as to whether the transfer of medicine and public health was a success in the Provinces and even at this examination lack of time prevented members of the delegation from closely examining the witnesses, but, apart from this, there is no doubt that we did suffer from a want of time and opportunity to press our view points on service matters before the Joint Parliamentary Committee. But, Sir, behind and beyond all this, this House has to decide on one very important question, and it is this. Does India want the British element in her services or does she not? If she wants it, then she can do with only the best. She cannot do with second rate men in such services as the Indian Civil Service, the Indian Police Service and, need I add, the Indian Medical Service. There are certain essentials which the new Government needs during the transitional period, and that is efficiency in its Superior Services. Supposing the House passes this cut motion, does the House realise what it means? It means that we will get no further recruits from England, because one of the demands made by the youth of England before they would think of joining these services is that they must have a sense of security in case of appeal and this they demand must be with the Secretary of State for India. If the Central Government or the Provincial Governments have independent control of these services, who will safeguard the British officers' interests and appeal? Their appeal would lie either to the Public Services Commission or the Governor General in Council, and not the Secretary of State for India. It may be (as I suggested to the Secretary of State when I examined him on this matter) that it would be acceptable to this House and the Government if a compromise were arrived at. The compromise I suggest is this: that the Government of India recruit in India their Indian officers for the Indian Civil Service and the Indian Police Service and other such services on an All-India basis, and that the Secretary of State should continue to recruit in England the British element, all officers to be placed under the control of the Government of India (I am certainly opposed to these services being under the control of the Provincial Governments) with a right of appeal to the Viceroy and a final appeal to the Secretary of State. In making this compromise, I am fully conscious has only to read the evidence given by Colonel Baird, the late Inspector General of Civil Hospitals, United Provinces, who stated that there were many occasions when he was at serious variance with the Minister in charge of Medicine, which often led to unpleasant and intolerable situations between them and at times to an impasse. I can also appreciate the fact that if the

Government of India or the Secretary of State controlled the recruitment of these Superior Services, it would in substance render the position of Ministers in the Provinces an absolute farce, but I can also readily conceive of means by which this can be remedied. Otherwise why give with one hand and take away with the other? Why introduce into the White Paper provisions and safeguards for these services, and, at the same time, say that India is to be given Provincial autonomy, self-Government and, in time, Dominion Status?

Sir Hari Singh Gour struck a true note when he said that if the Provinces were to be completely autonomous, the services working in the Provinces must be under their control and their recruitment cannot be controlled by the Secretary of State, but by the Governments concerned. That, I submit, Sir, is an ideal which I share with other Members in this House in the hope that it will materialise in the near future, but in my opinion it is necessary for this House to be a little bit slow in its pace and its demands. I think the time has not yet arrived when India can do without the valuable services and stabilising value of the British element in some of her services, and it is for this reason that I still uphold my note of dissent in the Memorandum. I consider it unwise and unsafe to shut the door to the recruitment of these services in England. It will deprive India of the best in her service. I am as keen on the autonomous development of India as any of my friends on the opposite side, but keener in seeing that we walk before we run and we learn to run before we leap, especially during the transitional period when we will be confronted with our present day communal conflicts and when this country will stand in sore need of the presence of the Britisher in the various services which they have undoubtedly helped to build up to their present state of efficiency.

There is another difficulty, and it is this. If each Province is to recruit and have control of its services, how will the Federal Government recruit their services? Will the Federal Government indent for their officers from the various provincial services or will they recruit their own cadre of officers? At the First Round Table Conference Services Sub-Committee in 1930, I led the discussion on the Indian Medical Service which recommended its closure to civil medical employment. Since then I understand that even if the Provinces were willing to create a purely civil medical branch, closed to recruitment from the Indian Medical Service, the supply of the British personnel for British employees would be so expensive as to render it impracticable. Sir, these are practical difficulties that must be faced by us. Apart from the fact that we must have the very best men, and I submit that the best men can only be obtained by an all-India recruitment by the Public Services Commission and under the control of the Federal Government, with the right of appeal to all officers to the Secretary of State when necessary. Sir, I think that the need for these changes was lurking in the mind of the Secretary of State, for you see in the White Paper the Secretary of State, himself, has asked that an inquiry should be instituted five years after the operation of the new Act. An inquiry will be necessary, as was pointed out by the last speaker, especially with regard to the vested interests and the accruing rights of the services. On the 3rd of November, I examined the Secretary of State very closely on the question of these vested interests and accruing rights which emanated from very insistent demands made by the Civil Services Association and the Police Association. These two Associations made, as their chief demand, the protection of their vested interests and of their accruing rights. Sir, if the Civil Service and the Police wanted this, I demanded, on behalf of the subordinate services and

[Lieut.-Colonel Sir Henry Gidney.]

the other gazetted services, a similar provision. The Secretary of State made the statement that some of the services would in a measure be similarly protected while others would not be. I am, however, happy to know today that the Government of India, I think it was on the 22nd of December last year, issued a communiqué in which the vested interests and some of the accruing rights of all servants, subordinate and gazetted, who were in Government employ on the 31st July, 1931, would be protected. I am happy to know that not only the accruing rights of the Civil Services will be protected, but also those of the subordinate services if only to a limited extent. This is as it should be. My Honourable friend, Sir Hari Singh Gour, further said that his demand for this control of the services by the Provincial Governments was not only in connection with the question of recruitment, but in connection with the control: and I think I am voicing a great body of opinion—it may be a silent or unexpressed opinion,—that there is a fear in the minds of the British element in the services that, with such control, their interests are likely to be prejudiced. I know that this apprehension is serious and does exist, because, it has been expressed in the evidence tendered before the Joint Parliamentary Committee. One has to realise these practical facts when asking the Government of India to suddenly deprive their superior services of recruitment from England. Sir, with this important provision that, during the transitional period, we do nothing in this House that will deprive the services from getting the benefit of an adequate British element and that recruitment of the British element be adjusted in gradual decreasing numbers as the years go on, I support the motion that has been placed before this House.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): Sir, I offer my hearty congratulations to my esteemed friend, Sir Hari Singh Gour, for having brought out a very important point for discussion on the floor of this House. Sir, the White Paper proposals are riddled with innumerable drawbacks and the proposal connected with the recruitment and the reorganisation of the services is so reactionary as to derogate greatly from whatever little value the White Paper proposals may have for us. I associate myself with my friend, Mr. Bhuput Sing, to all that he said, when he subjected the proposals in the White Paper regarding the recruitment to the public services to criticism, and I do not want to refer to that again.

There is one important point which I would stress in this debate—a point which has already been referred to by my friend, Sir Hari Singh Gour—namely, this, that if the control of the services mentioned in the White Paper is to rest in the hands of the Secretary of State, all talk of provincial autonomy is mere moonshine. On the one hand, the White Paper proposals purport to give us provincial autonomy under which the Minister would be responsible for the conduct of the departments in the field of provincial administration, while on the other hand, the instrument with which he has to carry out the duties, assigned under the Constitution, will be an instrument over which he has no control! This introduces an element of anomaly into the whole constitutional position, and I would not be surprised if the result of this provincial autonomy, whatever may be the measure and extent of such autonomy, will not be worth the trouble of introducing it. The main divisions of the public services in India are the All-India Services, the Provincial Services and the Central Services. The All-India Services include the following: the Indian Civil Service,

the Indian Police Service, the Indian Forest Service and the Indian Service of Engineers. Provincial Services cover the whole field of the civil administration of the Provinces. The members of these services are appointed by the Provincial Governments. The Central Services have been classified as comprising the Railway Services, the Indian Posts and Telegraphs Traffic Services and the Imperial Customs Services. In the White Paper provision is made for the continued recruitment by the Secretary of State of the members of the Indian Civil Service, the Indian Police Service and the Ecclesiastical Department, etc. The I. C. S. is said to be a public service, but I should like to know what is the meaning of the "I. C. S.". This service is hardly an "Indian" service, it is not a "civil" service, and it is not a "service" at all. (Laughter.)

An Honourable Member: Then what is it?

Mr. Gaya Prasad Singh: Sir, the I. C. S. really controls the administrative policy of the Government of India and of the Provincial Governments. My friend, Colonel Sir Henry Gidney, has referred to the fact that he would prefer the recruitment of the British element during the transitional period. I say, I do not object to the recruitment of Britishers for any length of time, provided those Britishers are under our control, and provided India has the right of controlling the character and the composition of the administration. If we are given that power of controlling the policy of our own administration, we would certainly welcome the best men available, whether in India or elsewhere. But the position of the permanent service in India is not analogous to the sort of Civil Service which functions in England. In England, the Civil Service, if I understand aright, has no controlling voice in determining the policy of the administration. They have merely to carry out the policy as laid down by Parliament and the Cabinet, but here, the members of the I. C. S. constitute the very authority which lays down the policy according to which the administration of the country is to be carried on. Now that anomaly is sought to be perpetuated in the scheme propounded in the White Paper, and it is in this connection that we raise our voice to protest against it.

My gallant friend, Sir Henry Gidney, also referred to the transition period. I do not know what he refers to. The British Government has been existing in India for over a century and a half. I should like to know from what period to what period he would like to regard as the transition period, because the scheme adumbrated in the White Paper is not a complete scheme of self-Government in itself. It may at best be a progressive approximation to the scheme of Dominion Status. Under the scheme, as propounded in the White Paper, it will take a long time before the goal of Dominion Status is reached. Now, the period, commencing from now up to the time at which Dominion Status will be attained, might as well be called a period of transition. I would, therefore, submit that this talk about the transitional period has not much of practical value in it. I am quite willing to retain to the present administration the duty of carrying on the Government of the country till India receives Dominion Status, but the controlling power should be in the hands of the Federal Legislature or the Minister in charge of the different Departments, and the members of the Civil Services or of the other services, which I have mentioned, should be subordinate to the Federal Legislature or to the Minister in charge of those Departments as the case may be. This, Sir, is the point which I wished to submit to the House for its consideration. The point

[Mr. Gaya Prasad Singh.]

has also been referred to in the White Paper. At page 69 of the White Paper, there occurs the following paragraph:

"The Secretary of State will after the commencement of the Act make appointments to the Indian Civil Service, the Indian Police and the Ecclesiastical Department. The conditions of all persons who are appointed including conditions as to pay, allowances, pensions, discipline and conduct will be regulated by rules made by the Secretary of State. It is intended that these rules shall in substance be the same as those now applicable in the case of persons appointed by the Secretary of State in Council before the commencement of this Act."

I should like to say here emphatically that we do not want that the terms and conditions on which the present members of the Indian Civil Service or of any other service have been recruited in India should in any way be varied by any future Government. Those who have been already appointed must carry on their duties under the sacred covenant as it were, and their position ought to be made secure, but this should not be the case with the future recruitment. The control of these services and the conditions of service should in the future rest *not* with the Secretary of State for India, but with the Federal Minister and the Federal Government.

My Honourable friend, Mr. Bhuput Sing, has referred in some detail to some of the rights and privileges which are proposed to be secured to these members of the services which seem to be unreasonable and extravagant in many cases. I do not think there is any justification for laying down most of the rules as are given in Appendix VII of the White Paper proposals. I would not, however, labour that point, but I merely wish to emphasise once more the cardinal fact that, in the future Constitution of India, even in the scheme which has been laid down for the inauguration of Provincial Governments, the services working under that scheme in the Provinces should be absolutely under the control of the Legislature and the Minister in charge of the various Departments concerned.

The question which has been raised by my Honourable friend, Sir Hari Singh Gour, is an important one, and I would ask my Honourable friend, the Home Member, to tell us what he has got to say in the matter of the proposals adumbrated in that part of the White Paper scheme. With these few words, I support the motion.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, the framing of a Constitution for India, as has been so many times pointed out, is really one of the most difficult tasks that has ever confronted any Constitution builders in the world. The conditions prevailing in India are no doubt quite different from the conditions prevailing in any other part of the world, and therefore, the Constitution which is to be prepared for India must be a Constitution for India and India alone. The proposals contained in the White Paper, theoretically speaking, may not be considered as perfect, but taking into consideration the conditions which are prevailing in India and the surroundings of this country, they are, I think, most practicable and such as could give satisfaction, at least, to a very large number of the population of the country. The recruitment of services and the control of the people so appointed are two different things.

My learned friend, Mr. Gaya Prasad Singh, has expressed a doubt that if recruitment is left to the Secretary of State, probably the Ministers will not be able to exercise their control in full over the officers so appointed. But our experience of the last decade in the Provinces has

shown that the officers who were recruited by the Secretary of State for India have loyally and to the utmost satisfaction of the Ministers carried out the policy which was laid down by the Ministers in different Provinces. Therefore, it is not right to say that recruitment by the Secretary of State would interfere with the control of the Ministers.

Mr. Gaya Prasad Singh: I was merely referring to the constitutional position and not to the good sense of the members of the Indian Civil Service who have to work under Ministers.

Sir Muhammad Yakub: I do not understand what the Honourable Member means by the phrase "constitutional position". As I have said, Constitutions for different countries and for different conditions are quite different. The constitutional condition of every country depends upon the conditions prevailing in that country. My learned friend has also asked what the duration of the transition period meant. In reply to that, I would submit that as long as the conditions which are prevailing in India would continue to last, the period will remain always a period of transition. It rests with me, it rests with my friend from Bihar and it rests with all the people who live in this country to change the atmosphere of the country and with it the whole period of transition. We cannot shut our eyes to the suspicions which are lurking in the minds of the people in this country. We cannot shut our eyes to the experiences which certain classes of people in the country have experienced up to this time. Therefore, I would submit that the recruitment of the Indian Civil Service and of the Indian Police Service, at least for some time to come, will have to be left with the Secretary of State for India and that is my opinion on this point.

Diwan Bahadur A. Ramaswami Mudaliar: Mr. President, I am very glad that this debate has been initiated by my Honourable friend, Sir Hari Singh Gour, because it gives us an opportunity to state exactly what our position is with reference to the Superior Civil Services of the country. The speeches that have already been made show that there is no animosity in any section of this House towards those services. Let me at once divide the services into two sections—those who are now serving in this country under the existing covenants and those who may be recruited hereafter. As my friend, Mr. Gaya Prasad Singh, has already stated, we want that every covenant that has been entered into with reference to the existing services should be faithfully and scrupulously adhered to. None of us regrets the fact less than the Secretary of State or the Under-Secretary of State or any Member of Parliament that owing to conditions entirely beyond our control—the exigencies of the financial situation, the economic blizzard that has overtaken this country—it has been necessary to alter that covenant to the extent of reducing their salaries by a certain percentage at the present moment. I want definitely this fact to be understood so that all idea of antagonism to the services may be once for all removed, that we are here anxious to safeguard all those legitimate covenants which have been entered into with respect to the services and the Government servants when they entered the service.

Let me take the other question which is a far more vital question and which really was the question that was raised by my Honourable friend, the Leader of the Nationalist Party, what about recruitment to the future services? The White Paper has recognised that there are two services which are key services and which should be recruited on an all-India

[Diwan Bahadur A. Ramaswami Mudaliar.]

basis, they are the Indian Civil Service and the Indian Police Service. I should like to express purely an individual opinion in this matter that I do not agree that these two services can be recruited by the different Provinces themselves. They should be recruited by a Central Authority on an all-India basis. You cannot have one grade of salary and one set of conditions of service for the Indian Civil Service officer in Madras and another for the Indian Civil Service officer in the Punjab or in Upper India. Similarly you cannot have one set of conditions of service for the Police officer recruited on an all-India basis in Madras and another set of conditions for the Police officer recruited in Bengal.

Let me make another position also perfectly clear. We have all agreed, at least most of us who were at any stage concerned with the Round Table Conference discussion, that with reference to these two services, in spite of the fact that there is already a European element sufficiently large for all practical purposes for the next generation, we have agreed, as a matter of practical policy, that a certain proportion of these services should continue to be Europeans. We have agreed that in the future recruitment also, a certain proportion of these two services shall be Europeans and the rest shall be Indians. What we have suggested is that the future Federal Government should be in a position to come to terms with the Secretary of State as to what exactly that percentage should be, that it should be an arrangement for a definite period of five years or ten years, that that arrangement should be revised from time to time taking all the factors then existing into consideration, taking also the necessity for any definite percentage of European element in these services.

Now, comes the question of conditions of service. The only point at issue really is whether the recruitment of Europeans or Indians for these two services should be made by the Government of India or by the Secretary of State. Let me again get rid of another idea; so far as the Indians are concerned, it is practically settled that that recruitment will be by the Government of India. The Superior Police Services are today being recruited by the Government of India through the Delhi Examination. So far as Indians in the Civil Service are concerned, they are practically recruited by the Government of India as a result of the Delhi Examination. I am aware that a certain number of Indians can enter through the open door of competition in England, that the Civil Service Commissioners in England can examine these people and declare them having passed and eligible to the Civil Service, but the reserve portion, that which is left, is now recruited by the Government of India on an examination conducted by the Public Service Commission in India and held in this country. Therefore, so far as the Indian element in these services are concerned, it is the Government of India that recruit them, and, on that analogy, there is not, there cannot be and there ought not to be any difficulty in recruiting the Indian portion of these two services purely by examination conducted in India. Now, comes the question of recruitment of the European element. I am not so vain as to suggest that a competitive examination should be held in this country for the recruitment of Europeans into the Indian Civil Service and the Indian Police Service. Our boys are able to go to England and compete with the English boys, all honour to their adventurous spirit, all honour to the risk that they run and to the risk which their parents run—and here I am speaking with knowledge on the subject—in sending their

boys of very young and immature age facing all the risks of a foreign atmosphere and all the risks which young men in any community do run when they are placed in such circumstances. But I recognise that it is not a practical proposition to ask young European boys to come over to this country and sit for competitive examination and take the chance of entering the Indian Civil Service.

Sardar Sant Singh (West Punjab: Sikh): Why a different rule of conduct for European boys?

Diwan Bahadur A. Ramaswami Mudaliar: I was making a practical suggestion. I am referring to practical politics and not to theoretical propositions. Theoretically, there is nothing to prevent these things. But as a practical proposition, I recognise, speaking for myself, that the European boys cannot be asked to come over here and sit for an examination.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Because they will not.

Diwan Bahadur A. Ramaswami Mudaliar: My Honourable friend has given the answer, because they will not. By hypothesis, you have already agreed that a certain percentage of Europeans should be recruited into these services, and, therefore, it follows as a matter of logic that you must hold the examination where the boys will be available to sit for this examination. My Honourable friend, the Raja Bahadur, is perfectly right in thinking that they will not come to India to sit for the examination.

Then, comes the question, is it the Secretary of State that should fix the conditions of service and that should get the help of the Civil Service Examiners in England to conduct these examinations or is it the Government of India? What is the point in the Secretary of State fixing the conditions of service? Why do you not trust the Government of India to fix these conditions of service? Is it your answer that the Government of India may so fix the conditions of service that nobody will be eligible to enter the service? Surely not, because then the Government of India will be asked how they are fulfilling their promise of recruiting a certain percentage of Europeans. Surely they will be forced to revise the conditions of service to make them more attractive, so that the cardinal principle to which they are already committed, namely, recruitment of a certain percentage of Europeans into these services, can be carried out. Let me now visualise for myself how it will be worked out if the Government of India were in charge of recruitment. The Government of India lay down the conditions of service which means that they should recruit a certain number of Europeans, and, for this purpose, they will have to seek the help of the Civil Service Examiners in England. I imagine that so far as the Civil Service is concerned, the Government of India for the purpose of recruitment of Europeans—or rather the recruitment of men from Great Britain—into this service will rely exactly on the same machinery which the Secretary of State relies upon, and the Government of India will ask the Civil Service Commissioners to help them in conducting the examination and get them a certain number, through the open door of competition in London, of English boys who will come for serving in the future Indian Civil Service of this country, and the conditions of this service will be laid down by the Government of India and it is in accordance with that that the English boys will come in.

[Diwan Bahadur A. Ramaswami Mudaliar.]

Now, I come to the Police Service. At present there is no competitive examination, or there was a very limited competitive examination in England at one stage, but there is no competitive examination now. I take it that the Government of India will ask the High Commissioner in England to recruit to the Police Service men who are required from England to serve in this country.

Then comes the question of control of the services. Now, let me say quite frankly, with some knowledge of the working of the dyarchic system of Government, that the whole idea of control by Ministers is very often misunderstood. If Honourable Members think that Ministers can be autocratic and can do what they like with the civil servants, promote them, depromote them, fine them and reduce them, they are entirely mistaken. Even the Honourable the Home Member, who is supposed to be the most powerful Member of the Government of India, holding a very important portfolio, even he has not got that power. None of the Members of the Executive Council are autocratic and even so none of the Ministers are autocratic. I suggest that there is a machinery by which any grievances which these services may have in the manner that individuals are treated can be looked into. There is the Public Service Commission, and wherever such a body is set up, they can look into the grievances of the services. The White Paper provides for a Public Service Commission both in the Centre and in the Provinces. The example of Madras has not yet been followed by other Provincial Governments, and Public Services Commissions have not come into existence in many Provinces. What happens in our Province is that no Minister can recruit a single person either for the ministerial appointment or for superior appointments. There is no question of patronage in any Ministry. We in Madras recognise the evils of it, we have recognised it from the very start of responsible Government in this country; we had not to go through all those dark years which the democratic Government in England had to go through before they realised the evils of patronage and the inconveniences to which Ministers were exposed on account of that patronage. We do not want that patronage, we want to keep far away from it, we want the Public Service Commission to be there to recruit to the All-India Services, both Indians and Europeans, whether it is working in India or whether it is working in London. We want the Public Service Commission to settle all disputes if they do arise. We want the appeal to go from the civil servant to the Public Service Commission if there are any grievances in the matter. Where comes in the Secretary of State? Why do you want the Secretary of State to lay down the rules and the conditions of service? Why do you want an appeal to lie to the Secretary of State? I ask my Honourable friend, Sir Henry Gidney, what these civil servants would lose if they are under the Government of India? I ask every Member of the Civil Service present here or outside the House, and I do hope that some civil servants present in this House will get up in this House and, if the Leader of the House will permit him, tell us exactly what their fears are. We are anxious to meet them more than half way, we are anxious to assure them that no position which they now occupy and no condition and no privilege that they now possess will be denied to them in future. We are anxious to tell the future servants and the future recruits that their position will be guaranteed from us and the Public Services Commission. Why do you want to interpose an authority whose methods may be open to question or

at any rate cannot have that searchlight of open criticism which the methods and the working of the Public Service Commission has, in whose decrees people will have less faith than in the decrees of the Public Service Commission? That is all that we want. We want the Government of India to lay down the conditions. We accept the percentage that is fixed as a matter of agreement between the future Government and the Secretary of State. We want the conditions of service to be laid down by the Government of India; and if those conditions are such that they do not attract the requisite number of Europeans according to that agreement, we are even willing to consider that those conditions of service can be revised by a third party so that men can come to the services in an adequate number. But, having done all that, let the power of recruitment be in the hands of the Government of India for these two services and let all their grievances and all their complaints be addressed to a quasi-judicial body like the Public Service Commission, the Central Public Service Commission and the Provincial Public Service Commission. If you read the recommendations of the White Paper, you will find that the appointment of Public Service Commissions is made by the Governor General. I think that for the Provincial Public Service Commission, the appointment is made by the Governor, but in any case it is not the Ministry that will appoint the members of the Public Service Commission. Therefore they are men in whom you have implicit confidence; the members of the Public Service Commission are chosen by your own Governors and by the Secretary of State so far as the Central Public Service Commission is concerned. Therefore, I ask, what is the apprehension? Let us not be at cross-purposes, you on the one hand trying all the time to think that we may not be fair to you, we on the other hand thinking that because you look to the Secretary of State for all your prerogatives and all your privileges, therefore there is some inherent antagonism between you and us. How can this provincial autonomy work? How can these Ministers get on with their Legislatures? For, remember, after all they are between the devil and the deep sea. It is not an easy matter for a Minister, owing his seat to a majority in the Legislature, to conduct his affairs in such a way that he can keep his seat and yet carry on those principles, if that Legislature is constantly under the impression that he has no real control over the Civil Services which are working with him. I join my friends in bearing testimony to the fact that, during the last 13 or 14 years, it has been the experience of every one of us either in the Provinces or in the Centre that, in the large majority of cases and in the overwhelming number of cases, the civil servants have so conducted themselves that there is nothing to complain of from the point of view of the Ministers. But the psychological effect is different. If the civil servant is given rules such as those in the appendix and says that he is to look elsewhere for the remedy of all his grievances, it is that that we are up against; it is that which we do not want, and not in any antagonism,—let me repeat again,—to the services, but fairness to ourselves and fairness to the services equally. If any other alternative suggestion is put forward as to how their position can be further assured, we are willing to consider it. But if it is the idea that the Secretary of State can alone intervene and protect them, that does not appeal to us and it ought not to appeal to Honourable Members opposite who are civil servants; for, I am sure, Mr. President, that there are innumerable cases where a civil servant has felt that the Secretary of State has let him down and has not considered his grievances appropriately or properly. If only the civil servants can speak,—I was about to say if they can have voices, but they have voices though they are not allowed to speak,—

[Diwan Bahadur A. Ramaswami Mudaliar.]

if only they can speak, I am sure they will state that on a number of occasions they had far more grievances against the Secretary of State than against the Minister who has recommended them, against the Local Government who has recommended them for certain preferments and against even the Government of India which have forwarded their appeals for approval. Therefore, let not either the civil servants or we on this side be under the impression that the Secretary of State like the *Deus ex machina* will do something wonderful for the services, protect them for all time and safeguard all their legitimate interests. Nothing of the sort. Let us work in harmony, for the future of the services and the future of the Government of this country depends on harmonious work.

Some of my Honourable friends spoke as if the civil servants in no country lay down the policy. Let me say this that it is all very well in theory to say that it is only the Ministers and the Cabinet that lay down the policy, but any one who knows the working of the system in Whitehall knows that the policy is really laid down by the civil servants, that the permanent Under-Secretary of State for Foreign Affairs, for instance, knows more of foreign policy than the evanescent Foreign Minister who flits in and flits out and hardly has the opportunity or the talents to know all the threads of foreign diplomacy or be in a position effectively to intervene in these matters. It is the same case with reference to other matters. The Board of Trade, for instance, the Board of Education and even the India Office,—we know, we have had opportunities of looking behind the screen, and we know that the civil servant plays a very important part indeed, not merely in the humdrum mechanical day to day routine administration, but in laying down policies, in developing policies and in showing his master what policies may be accepted. And I am sure that that will be the position in this country also. Every Minister will rely on his public Secretariat to help him in these matters; it is they that will have the opportunity of correlating all that knowledge which they have had through their years of service in the mufassil and in the Secretariat; and it is their policy that will ultimately be accepted. It is true that a Minister will have a choice of policies, he may accept or he may not accept it; that is a different matter. But to say that civil servants will have nothing to do with the laying down of policies is to express a very inadequate appreciation of the whole system of Civil Service which is associated with the British Government and British methods of administration.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should conclude now.

Diwan Bahadur A. Ramaswami Mudaliar: I, therefore, desire to state that it is from the point of view of trying to be as helpful as possible to the permanent services of this country that I support this motion; and I will only conclude by saying that it is essential that the recruiting authority, the authority that lays down the conditions of service, should be the Government of India for these two services, and that all adequate protection can be afforded to these future recruits through a Public Service Commission which will be fully authorised to examine their grievances and redress them. (Applause.)

The Honourable Sir Harry Haig (Home Member): Sir, I need hardly remind the House that the proposals of His Majesty's Government in regard to the new Constitution which have been embodied in the White

Paper are now before the Joint Select Committee of Parliament and the matter which is raised by my Honourable friend, Sir Hari Singh Gour's motion may to that extent be said to have passed out of the hands of the Government of India. I hope, therefore, that the House will not expect me to express definite opinions on policy and I trust that they will not press to a division any desire to censure the Government of India in connection with anything that I may say.

Mr. N. M. Joshi (Nominated Non-Official): Are they not responsible for the White Paper?

The Honourable Sir Harry Haig: I propose, Sir, if it will meet with the wishes of the House, that this debate should be forwarded for the information of the Secretary of State. It is perfectly true that the Secretary of State is aware of many of the points that have been raised this morning, because my Honourable friend, Sir Hari Singh Gour, was himself present at the meetings of the Joint Select Committee at an earlier stage and was able to put his points very fully himself to the Secretary of State. I am glad that we have had this debate, for it has enabled the House, and, particularly, if I may say so, my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, to show that their attitude towards the services is a friendly and a fair attitude, and is not in any way inspired by feelings of hostility, and I think it is very important that that should go out to this country and to the people in England. I should like to make a few comments myself with reference to the various points that have been raised this morning.

In the first place, with regard to the function of the services, I would say that the function of the services strictly speaking is to carry out the policies laid down by the Government. To some extent that function is obscured under the present conditions, because certain individual members of these services happen to be in a position of some authority in regard to the formulation of policy. As the House is aware, it is one of the cardinal features in the proposals contained in the White Paper that those members of the services should no longer remain in those positions (Laughter), and if it should unfortunately happen that my Honourable friend to my right (Sir Frank Noyce) and I myself should disappear from our existing positions, possibly that might help to clarify the real functions of the service to which we belong. At the same time, there is a great deal of truth in what my Honourable friend, Diwan Bahadur Mudaliar, said that though the services do not have the actual control of policy, they naturally, if they are efficient and know their work, have considerable influence in the shaping of policy; and in that connection I would ask the House to remember how immensely important it is to the effective running of the machinery of the country that you should have contented and efficient services. There is perhaps in some quarters an idea that the machine runs itself. It works very smoothly as a rule, and there is an idea that a machine that runs smoothly runs automatically. For instance in the case of, we will say, a motor car, a person like myself who knows very little about machinery gets into a car and knows that if he moves certain levers certain results follow, and is apt to assume that all that is required is that he should move the levers and that nothing then can go wrong. There is a certain danger that Honourable Members, who have not been intimately connected with the administration, should think that in the

[Sir Harry Haig.]

future all that the Ministers have to do will be to get into the car, to move certain levers and the machine will run on automatically by itself. But it is necessary to remember that, for the efficient working of a service, careful organisation, thought and hard and honest work are required, and that unless you have all the parts of the machine working effectively and wholeheartedly, when the Minister presses a lever, the machine will not work. Whatever form of Government there may be, we require really efficient services and I think we require them particularly at a time when the form of Government is being changed. For that reason I do feel it is most necessary to maintain relations of friendliness and good feeling between the services and the political classes into whose hands more and more the actual power will pass.

With regard to the particular criticisms that have been made on the proposals contained in the White Paper, I find a certain difference of opinion—I do not know whether I should say a confusion of thought—in relation to the various demands that have been put forward. Admittedly the normal constitutional position is that a Government should have full control over the services working under it. The question is whether in the position that is going to face the country when His Majesty's Government's proposals are completed, the time has come for making any large and fundamental and irrevocable change in the system of recruitment and control of a few of the most vital services in the country. My Honourable friend, Diwan Bahadur Mudaliar, pressed the view that, while recruitment of Europeans for the Indian Civil Service and the Indian Police should continue and in fact all India recruitment should continue for those services, the recruitment should be carried out by the Government of India. On that point I do not think he appears to be in agreement with my Honourable friend, Sir Hari Singh Gour, who, if he subscribes to the memorandum put forward by the British Indian delegation to the Joint Parliamentary Committee, appears to wish that recruitment on an all India basis should cease, that recruitment should be transferred to the Provinces and that the Provinces should be left entirely free to decide on the conditions that they would offer to their recruits and to decide whether or not they should recruit Europeans in future. That illustrates one of the difficulties and obscurities in the present situation. We have, for instance, the report of the Services Sub-Committee. That Sub-Committee recommended by a majority that the recruitment of Europeans should continue; they recommended by a majority that the recruiting authority should be the Government of India. In fact, the proposals put forward today by my Honourable friend, Diwan Bahadur Mudaliar, are practically the proposals of the majority of the Services Sub-Committee; but I do not find that those are the proposals put forward in the Joint Memorandum for the Joint Parliamentary Committee, and I must say, if I were to express a personal view, that I do feel it a little difficult to contemplate under the Constitution pictured in the White Paper the Government of India or the Federal Government controlling the recruitment for what are in effect services working in the Provinces, because the relations of the Federal Government, as pictured in the White Paper, with the Provinces are very different to the relations of the present Government of India with the present Provincial Governments. We have now in the Government of India certain powers of superintendence and control over the

Provincial Governments. I do not find those powers expressed in the Constitution as stated in the White Paper. Therefore, Sir, it would appear to me that if any outside authority is required to control or to protect these services in the Provinces, it is constitutionally very difficult to put that power into the Federal Government, and that the natural course would be to give those powers to the Secretary of State. I should like the House to reflect on that point,—either no control, no protection at all, or if there is to be control and protection, then I would suggest that constitutionally the protection and control would naturally be exercised by the Secretary of State as representing the authority of Parliament.

While my friend, Sir Hari Singh Gour, was speaking, I was not quite sure whether he had altogether reconciled himself to the position that the existing members of the services should continue to possess their existing rights . . .

Sir Hari Singh Gour: Certainly.

The Honourable Sir Harry Haig: But some of his arguments suggested to my mind that he was overlooking the fact that there are a considerable number of members of the I. C. S. and the Indian Police in our services today and that they will, on his own proposals, continue to receive the protection of the Secretary of State. Now, Sir, if the picture which he drew or suggested of Ministers unable to carry through or formulate effectively their policy, because the servants who were to carry out the policy were not under their control, that, I am afraid, would be inherent in any proposals which did not contemplate the complete abolition of the existing members of the services and their dismissal from India tomorrow. I think, Sir, I noticed in several speeches a suspicion that Ministers will not be able to carry out their policy, because the members of the services have, in exceptional circumstances, an appeal to some outside authority. Well, Sir, I think the answer to that is contained in the passage which my friend, Sir Hari Singh Gour, himself read out to the House at the beginning of the debate, a passage from the Report of the Lee Commission which went round the whole of India making very careful inquiries into the organization of the services and the relations between the services and the existing Governments. What they said was "Ministers themselves have told us that the all-India officers serving under them have, with negligible exceptions, given most loyal support in carrying out their policies". Well, Sir, if that was the experience of Ministers in 1924, I do not see why the Ministers of the future should expect any different result. I would, therefore, ask the House to dismiss from their minds any idea that, because the services are to have certain rights, which they at present have, personal rights, rights of appeal where they may think that they have been unreasonably treated, that because those rights are to continue, therefore the Ministers will not be able to carry out their own policy and will not receive from the services perfectly loyal support.

There is one other point which has been touched upon in the course of the debate, and that is the suggestion contained in the White Paper that while recruitment on an all-India basis should continue for five years after the introduction of the new Constitution, there should at the end of that period be an inquiry as to the future of recruitment. That, Sir,

[Sir Harry Haig.]

if I may express a personal opinion, seems to me to be a reasonable proposition. The fact is, there have been even this morning very varying opinions expressed as to whether, for instance, we want to continue European recruitment. I can see many Members in this House who would say "with the introduction of the reforms, cease to recruit Europeans", others would say "continue to recruit them". Questions like that and questions of control are very difficult to decide until we have the facts before us. Now, Sir, at present we have not before us all these facts. Until we have seen the actual operation of the new Constitution, whatever it may be, we are not really in a position to say which is the right solution for the future development and recruitment of the services, and it seems to me a wise provision that we should observe the facts and have the facts before us before a final and irrevocable decision is taken as to the future of the services which are after all the key services for the whole machinery of Government in India, whoever may be directing that Government.

Now, Sir, I hope I have made my own personal views on this matter plain to the House, and as I have said at the beginning, the Government will be very glad to forward a copy of this debate to the Secretary of State, but I would suggest to the House that they should not press this motion against us and censure us in a matter which is at the present moment under the consideration of the Joint Select Committee of Parliament.

Sir Hari Singh Gour: Sir, my Honourable friend, the Home Member, has evaded the main issue. The question with which we are concerned is the attitude of the Government of India on this vital question, and when we tabled this cut motion, it was with a view to ascertaining the view of the Government of India on the future of the All-India Services. The Honourable the Home Member has given expression to what he called his personal views. It may be that those views are the echo of the views of the Government of India, but he did not commit the Government of India to his views. In that position we have no option but to censure the Government of India for not coming into line with the popular opinion in this country to the effect that the public opinion of all communities and classes

Sir Muhammad Yakub: Not all.

Sir Hari Singh Gour: Hindus and Muslims in any case

Sir Muhammad Yakub: No, not all.

Sir Hari Singh Gour: unite in demanding that we should immediately go into the question of the future of the All-India Services. Sir, we are not at the present moment concerned with the next question that would arise as to whether the future services in India should be recruited by the Government of India or by the Provinces.

My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, inclines to the view that the future services in India should be recruited by the

Government of India, and the Joint Memorandum inclines to the view that the future services should be recruited by the Provinces. I may point out that that view of the Joint Memorandum was very largely influenced by the Despatch of the Government of India themselves. In their Despatch on the Simon Commission report, at page 184, paragraph 204, the Government of India said:

"We do not consider that any intermediate position between recruitment by the Secretary of State and provincialisation is likely to prove satisfactory."

That was the view of the Government of India.

Mr. President (The Honourable Sir Shanmukham Chetty): They have agreed with the Honourable Member's view, then why does he want to censure them? (Laughter.)

Sir Hari Singh Gour: They do not agree with me at all. That was the view of the Government of India in 1929.

The Honourable Sir Harry Haig: I should explain that the Government of India have not changed their view on that point.

Sir Hari Singh Gour: The Government of India have not changed their view on that point and that is our grievance. Only two alternatives were before the Government of India—recruitment and control by the Secretary of State, or by the Provinces,—and they were in favour of recruitment and control by the Secretary of State, and it is upon that point that we are at issue with the Government of India. Sir, the Honourable the Home Member has alluded to two facts upon which I should like to make my own position perfectly clear. The first point that he raised was whether this side of the House had any intention of qualifying the rights which the existing members of All-India Services enjoy. I submit that we have made it abundantly clear on numerous occasions speaking from this side of the House that there is not one elected Member in the Legislative Assembly who would deny the existing members of All-India Services their existing and accruing rights to which they have become entitled, but the only question is, what are their existing and accruing rights.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must now conclude.

Sir Hari Singh Gour: And on that point we are at issue with the White Paper. The second point which Sir Henry Gidney and others seem to have raised was, do we want an element of Europeans in the All-India Services? On that point I have said that the Provinces must be left free to decide for themselves as to the composition of their services, and we do not wish to burden the Provinces by any statement of our own whether they should or should not have Europeans in their services. Sir, in view of the fact that we have had no satisfactory reply from the Government of India, and they have not, as a matter of fact, either acceded to or

[Sir Hari Singh Gour.]

even acquiesced in the views we have expressed, I have no option but to divide the House on my motion.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Does the Honourable Member mean to say that the Government of India can express a view here against the Secretary of State whatever they may feel or think?

Sir Hari Singh Gour: Then we censure them.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

It is perhaps the duty of the Chair to explain to the House the significance of this vote. The object of Sir Hari Singh Gour is to censure the Government for not supporting the point of view urged by himself and his friends on the question of the reorganisation of the public services under the proposed Federal Constitution. If this motion is carried, it would mean that by a majority the House not merely censures the Government but supports the point of view of Sir Hari Singh Gour and his friends. If the motion is negatived, it means that the House does not support the contention of Sir Hari Singh Gour and his friends, and that is a point in view the House will now decide whether it will go to a division or not. The question is:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

The Assembly divided:

AYES—37.

Abdul Matin Chaudhury, Mr.
Abdur Rahim, Sir.
Azhar Ali, Mr. Muhammad.
Bhuput Sing, Mr.
Dutt, Mr. Amar Nath.
Gour, Sir Hari Singh.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Isra, Chaudhri.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Jog, Mr. S. G.
Joshi, Mr. N. M.
Krishnamachariar, Raja Bahadur G.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Mittra, Mr. S. C.
Mody, Mr. H. P.
Mudaliar, Diwan Bahadur A.
Ramaswami.

Murtuza Saheb Bahadur, Maulvi
Sayyid.
Neogy, Mr. K. C.
Pandya, Mr. Vidya Sagar.
Parma Nand, Bhai.
Patil Rao Bahadur B. L.
Puri, Mr. Goswami M. R.
Ranga Iyer, Mr. C. S.
Reddi, Mr. P. G.
Reddi, Mr. T. N. Ramakrishna.
Roy, Rai Bahadur Sukhraj.
Sant Singh, Sardar.
Sarda, Diwan Bahadur Harbilas.
Sen, Pandit Satyendra Nath.
Shafee Daoodi, Maulvi Muhammad.
Singh, Mr. Gava Prasad.
Sitaramarai, Mr. B.
Thampan, Mr. K. P.
Uppal Saheb Bahadur, Mr.

NOES—57.

Abdul Aziz, Khan Bahadur Mian.
Ahmad Nawaz Khan, Major Nawab.
Alah Baksh Khan Tiwana, Khan
Bahadur Malik.
Bajpai, Mr. G. S.
Bhore The Honourable Sir Joseph.
Chatarji, Mr. J. M.
Clayton, Mr. H. B.
Cox, Mr. A. R.
Dalal, Dr. R. D.
Darwin, Mr. J. H.
Dillon, Mr. W.
Gidney, Lieut.-Colonel Sir Henry.
Graham, Sir Lancelot.
Grantham, Mr. S. G.
Haig, The Honourable Sir Harry.
Hardy, Mr. G. S.
Hezlett, Mr. J.
Hockenhull, Mr. F. W.
Hudson, Sir Leslie.
Irwin, Mr. C. J.
Ishwarsingji, Nawab Naharsingji.
Ismail Ali Khan, Kunwar Hajee.
Ismail Khan, Haji Chaudhury Muham-
mad.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Lindsay, Sir Darcy.
Mackenzie, Mr. R. T. H.
Metcalfe, Mr. H. A. F.
Mitter, The Honourable Sir
Brojendra.

Morgan, Mr. G.
Mujumdar, Sardar G. N.
Mukharji, Mr. D. N.
Mukherjee, Rai Bahadur S. C.
Noyce, The Honourable Sir Frank.
O'Sullivan, Mr. D. N.
Pandit, Rao Bahadur S. R.
Rafiuddin Ahmad, Khan Bahadur
Maulvi.
Rajah, Raja Sir Vasudeva.
Rajah, Rao Bahadur M. C.
Ramakrishna, Mr. V.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Ryan, Sir Thomas.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar,
Captain.

Singh, Mr. Pradyumna Prashad.
Sloan, Mr. T.
Sohan Singh, Sirdar.
Studd, Mr. E.
Subrawardy, Sir Abdulla-al-Māmūn.
Talib Mehdi Khan, Nawab Major
Malik.
Tottenham, Mr. G. R. F.
Wilayatullah, Khan Bahadur H. M.
Yakub, Sir Muhammad.
Yamin Khan, Mr. Muhammad.

The motion was negatived.

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 Sir Shanmukham Chetty) in the Chair.

Necessity of Expediting the Constitutional Reforms.

Raja Bahadur G. Krishnamachariar: Sir, I beg to move:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

My object in moving this motion is to discuss the necessity of expediting the Constitutional Reforms. At the outset, I desire to lay before you the scope of my cut motion, because I do not want that we should enter into a rambling and roving discussion of irrelevant matters; at least so far as my purpose is concerned, it is this. I do not intend to propose to go into the merits of the various proposals as desired to be modified, or as repudiated, or as accepted by the various parties and individuals in the country. I want that the Reforms whatever they may be, in view and in the light of what I am going to submit hereafter, should be brought into existence as early as possible and that we in India should not be left in any doubt as to the position of His Majesty's Government in connection with this. That is the scope of my motion, but in restraining myself and in discussing the Reforms it is not that I have no complaints against individual proposals in the White Paper, but what I submit very respectfully is this that, so far as the proposals are concerned, we have been at it for nearly

[Raja Bahadur G. Krishnamachariar.]

five years. Three Round Table Conferences have sat as a preliminary to the formulation of the proposals in the White Paper and our representatives, who went from here, discussed the whole thing from all points of view so that, before the proposals in the White Paper were formulated, neither the Secretary of State nor His Majesty's Government can say that they had not got any particular or clear idea of what we wanted. Now, after the proposals in the White Paper were formulated, we in this Assembly have had an opportunity to discuss the whole thing, and although the time at our disposal was not very large and although we should have discussed it at greater length and with more definiteness, yet, in so far as this House is concerned, we have had the opportunity of formulating our opinions and of telling the British Government exactly what we consider to be necessary if these White Paper proposals are to be accepted. Then, the Joint Parliamentary Committee was constituted, and, again, our representatives have been called, some of them to sit along with the Joint Parliamentary Committee and others to be examined as witnesses. Sir, between these persons, viz., the witnesses that were examined and our own representatives who sat on that Joint Parliamentary Committee, I think every phase of every objection that could possibly or impossibly be suggested has been discussed and discussed threadbare. If one looks at the voluminous evidence recorded of the cross-examination of the Secretary of State, especially the cross-examination by my Honourable and esteemed friend, Sir Hari Singh Gour—whose indefatigable and indomitable energy led him to probe into all the dark recesses of the proposals contained in the White Paper (Loud Applause),—I think it is impossible for any man claiming even a small measure of intelligence to say that he has not understood what our standpoint is in regard to the White Paper. Again, there is the memorandum submitted by the Right Honourable Dr. Sapru who had taken a leading part in these proposals and discussions prior to the White Paper,—to whose labours the Chairman, Lord Sankey, gave a just tribute the other day; and, lastly, there is the joint memorandum of the British Indian Delegation.

Now, if these papers have not given any idea of what exactly the Indian people want with regard to the proposals for general Constitutional Reforms, then I am afraid that any amount of discussion here within the time-limit you have prescribed is not going to clarify the issue any further. That is my reason why I did not enter into the details of the merits of the question, and not because I had not anything to say about it. Now, having said that, one or two matters that have got to be remembered is that, in so far as the proposals are concerned, excepting for these modifications that they wanted, so far no party which has been called into consultation has decidedly stated that they were not going to work these Reforms at all. They simply stated some conditions and directions in which improvement was sought. Sir, apart from what we demanded in asking that the Reforms should be expedited, I want His Majesty's Government to remember two very important pronouncements made. The first is His Majesty's Message at the time when this Assembly was first constituted, in which His Majesty said:

"For years, it may be for generations, patriotic and loyal Indians have dreamt of Swaraj for their Motherland. Today you have the beginnings of Swaraj within my Empire and widest scope and ample opportunity for progress to the liberty which my other Dominions enjoy."

That, Sir, is the condition upon which we began to work this Assembly and that is the condition upon which further proposals have been enunciated. Then, in winding up the proceedings of the Round Table Conference, the Prime Minister at that time—it was the Labour Government then—stated:

"The view of His Majesty's Government is that the responsibility for the Government of India should be laid 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 the minorities to protect their political liberties and rights."

Then, he proceeded to say:

"As regards finance, the transfer of financial responsibility must necessarily be subject to such conditions as will ensure the fulfilment of the obligations incurred under the authority of the Secretary of State for India and the maintenance unimpaired of the financial stability and credit of India."

Then he hoped that all these things would come to pass, and, again, at the end of the Second Round Table Conference, I think the same statement was made, and the later pronouncements of the British Government also were in effect exactly the same as what the Prime Minister made on the first occasion. What I submit is this that, in asking you to expedite the Reforms, I want you to remember every bit of representation that has been made by our representative and you should also remember what you yourself have told us. Take all these things into consideration, come to a reasonable conclusion and expedite the Reforms so as not to keep us in any uncertain mood, that is my request. You said that you wanted safeguards. All right, keep the safeguards for the transitional period and work upon the conditions that you wish to impose with two objectives. Firstly, that those conditions do not militate against the development of India's position on the road to Dominion Status. I suppose that is what is really meant, but I am afraid to say that because there might be a censure motion against this House in the House of Commons. The next condition is that these safeguards should be in the interests of India. These two conditions we have accepted and we are quite prepared to meet you. The White Paper proposal also stated that as a preliminary to the insuring of responsibility at the Centre you should pass the Reserve Bank Bill and we have done it. Of course, we did put up a fight, but the result is that the Reserve Bank Bill has been passed in accordance mainly with the proposals and suggestions made by you, so that on our side we have performed all the obligations that were laid upon us in order to insure the coming of the Reforms into existence as early as possible.

Sir, the Round Table Conference suggested the formation of certain Committees for investigating certain points. Those Committees have sat; they have investigated the respective points; they have submitted their elaborate reports and they have been before His Majesty's Government now for some time. Under these circumstances, I respectfully ask that having all the materials before you and these reforms being framed in the nature and with respect to the submissions you have approved of, an early decision should be arrived at. Sir Tej Bahadur Sapru in the memorandum that he submitted to the Joint Parliamentary Committee began by saying:

"It will thus appear that the process of examination has already covered a considerable time both in India and in England and early decisions are anxiously awaited in India."

[Raja Bahadur G. Krishnamachariar.]

Sir, I have read out his statement, because I entirely agree with it and I was afraid that I would not be able to put it myself in the nice language that he has done. Further on he says:

"I would further urge that the time factor should not be lost sight of. During the last six years or more, as already stated, Commissions, Committees and Conferences have followed one after another and, while I recognise the value of caution and prudence in building up a constitution for a vast country like India, I would also emphasise the dangers of delay. In short, I suggest that the constitution should come into operation as far as the provinces are concerned towards the end of 1934 and every attempt should be made to make the constitution at the Centre function one year later."

Further on, he says:

"Any further prolongation of the stages or periods of probation can only result in diverting the attention and energy of the people of India from fruitful and constructive channels to agitation, struggle, dissipation of energy and increasing estrangement between the Government and the people."

Sir, for some time past we have been under the heels of the Civil Disobedience Movement and those of us who have lived in the villages know exactly the trouble that we have been undergoing. Fortunately that movement has now subsided, but there is another and a more dangerous and a more insidious movement that has come into existence. Sir, some people openly declare communism and others, under the cloak of all sorts of sentiments and feelings, religious and otherwise, also preach communism. They preach things which lead you to communism and to nowhere. Are you going to allow this sort of unrest to go on calmly looking upon it? Do you want us to wait until it is too late and then abuse everybody all round, because they did not co-operate with you and they did not agree with you as to repressive legislation.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must address the Chair and not have the whole speech in the second person. It is permissible to address the Government once or twice, but the whole speech should not be delivered in that strain.

Raja Bahadur G. Krishnamachariar: I will now address you, Sir. Once I was told by your predecessor, when I addressed him, that he was not concerned at all, and he asked me not to trouble him about it. As I am not acquainted with the Parliamentary procedure, I hope you will kindly excuse me. But, I promise that I will hereafter address you and I will bring all the abuses on you and will leave the Government alone. (Laughter.) What I submit is this that this is what is happening in the country and it is impossible for my Honourable friend, the Home Member, whose source of information extends to the whole length and breadth of the country, to say that he is not acquainted with this insidious movement that has been started. I am afraid it will immediately catch the imagination of the people who are hungry and who do not know what it is to have two meals a day and whose number is 40 millions. Therefore, for God's sake do something and do expedite the Reforms. I do not know what His Majesty's Government think about the advice tendered by the Government of India, but I know this that whenever an inconvenient question is raised in the House of Commons about the action of the Government

of India, the Secretary of State always says: We must rely upon the man on the spot. But, I have a suspicion that when suggestions go from here, they sometimes do not suit the taste of the Secretary of State or some of his advisers. In the course of the discussion in the Select Committee on the Reserve Bank Bill, certain proposals were made and they were cabled to the Secretary of State. And what was cabled in reply? Not the substance to be put in Sir George Schuster's own felicitous language but he would insist upon his own language being reproduced here. That is the way they rely upon the man on the spot. I do not know what their attitude is, but what I would submit is that if you mean to rely upon the man on the spot, then rely upon him. I do hope that they will make a real attempt, a genuine attempt, to solve this question immediately rather than go on considering it for an indefinite length of time.

Sir, the next witness that I call in support of my suggestion is the Honourable Sir Maneckji Dadabhai, the President of the Council of State. Speaking yesterday at the Dinner given to His Excellency the Viceroy, he said:

"I have referred to this matter only because I firmly believe that any undue or prolonged delay in inaugurating the new Constitution may lead to general disappointment and will spread dissatisfaction and discontent."

That, Sir, is from the mouth of a gentleman whose great pride is that he has got in an extraordinary measure the virtue of silent and moderating criticism. I think I need not call a stronger witness and although I am guilty of impatient loquacity, my only regret is that that term is applied to the entire Assembly, because it is rather hard on our friends on the Treasury Benches that having observed strict silence and not opening their mouths and say what they have got to say, they still are accused, because the Assembly as a whole is accused that they are guilty of impatient loquacity. Whether it is due to me or to other persons, I shall not be guilty of any further loquacity, though I am certainly impatient.

Having now called witnesses in the affirmative that these Reforms must be expedited, and having told you, Sir, what in my humble opinion would be the consequence in the country of not expediting the Reforms, I have also got one or two matters to bring to your notice and that is that if you do not expedite these Reforms, we will have an invasion of these ubiquitous Tory Members of Parliament or otherwise from England. You remember, Sir, the other day that you convened a meeting at which all of us had the honour of being invited, and a gentleman, by the name of Captain Cazalet, Conservative M.P., for Chippenham—he came and he saw and what did he do? Whether he conquered us or was conquered by us, this is what he says and with the last portion I entirely agree. He says "if you do not bring into existence these Reforms, our trade will be lost and our Empire will be lost". I am glad he said that. But at the same time he records a statement that the country as a whole is prepared to work the White Paper scheme. That is rather unjust and unkind of him. Some of us who were present at the meeting do not remember to have said that we are going to support the White Paper scheme. I do not think anyone of us said that. However, I am quite prepared to excuse this gentleman for saying that, because he also warned the people of England and his own party people that if these Reforms do not come, the Indian Empire will be lost. I know that it will create a trouble in the minds of Mr. Winston

[Raja Bahadur G. Krishnamachariar.]

Churchill, because, he wants to keep India for the benefit of England. He does not want to lose India. This is not the end of the agony, that is only the beginning, because yesterday's newspapers say that there is going to be a Tory Commission to enquire into, what? It says:

"The next group of visitors to India will reach Bombay on the 8th instant. It will consist of three Members of Parliament led by Lord Lymington, a Tory politician 36 years old and strong Imperialist."

So it will be observed that youth is not at a discount. Much water has flowed under the bridge until the younger Pitt repudiated the atrocious crime of being a young man:

"The Secretary of the delegation will be Mr. D. Madhava Rao, Indian correspondent of the *Morning Post*."

—What a fine newspaper and what a fine set of gentlemen coming out to find out what the position in India is. On the top of that, a gentleman, who is the correspondent of the *Morning Post*, accompanies them. I do not know what the individual views of this correspondent are, but I know a little bit of the views of the *Morning Post*, and it is rather ominous that these three gentlemen should combine to enquire into the question of granting of Reforms for India.

Sir Muhammad Yakub: But Mr. Madhava Rao, the Indian correspondent of the *Morning Post* belongs to your Province.

Raja Bahadur G. Krishnamachariar: That does not matter. According to the Hindu religion, we also worship the God of Death, and that does not mean that you are all anxious to go and hug and embrace him. That is nothing. The newspaper report further goes on—

"a paper which has consistently attacked the policy of self-government for India from the days of Mr. Montagu. The members will tour India and secure evidence on one important issue amongst others: Is there any whole-hearted support for the Hoare scheme among Indian politicians? Sir Samuel Hoare claims that there is satisfaction in India over the White Paper scheme. The Lymington group want to test the truth of that claim."

This is the next stage of the agony that we would be put to when these Tory M.P.'s led by this young Indian tours the country. I do not know what they are going to say eventually. But, I know this that coming from the source from which they come, I am perfectly sure that they will tell the people of England that India does not support the White Paper scheme and so why should England waste a lot of money in inaugurating the Reforms. They would fall in line with Mr. Churchill. In making these observations, I entirely realise the difficulties in which the Secretary of State is placed. On the one hand, there is Mr. Churchill and his party who has tabled a motion against him that they will have nothing of these Reforms at all, on the other hand, the people in India say, we do not want your proposals, we want more, and, in this predicament I greatly sympathise with the Secretary of State in his position.

Those of us who have read Mr. Montagu's Indian diary know that outside all these things there are a good many other things that the Secretary of State has got to fear and they, Sir, are the friends of newspapers. If you read Mr. Montagu's diary regarding the last stage of his stay in India, he particularly asks his Secretary not to antagonise a certain

gentleman, because he was a great friend of the Editor of the *London Times* and he might create trouble when he goes back. Those who have read Mr. Montagu's diary will find this in the record of his doings during his stay in Delhi. So, if you are going to govern a huge Empire, all this is part of the day's work. Remember what the Sovereign has pledged to us, remember what the Prime Minister as the head of two Governments, the Labour Government and the Nationalist Government has told us, remember what all other people have said, and do not try to whittle down the pledges that you have given because a censure motion has been tabled against an unfortunate Governor who came to India only the other day. He seems to have won golden opinions in his Presidency and he sent a message of an innocuous nature to the Sind Boy-Scouts and outcomies a censure motion in the House of Commons at the suggestion of our old friend, Mr. Churchill. That sort of mentality will not do. The English people should clearly understand that if they are going to take the suggestions of all these Tory M. P.'s who are touring the country, we are not going to stand any such thing. They must rely on the people on the spot. Otherwise what is the use of their sending these people here? I would respectfully invite the British nation, whose heart is quite sound, not to be led away by these people either for self interest or for personal pique or whatever it may be, not to be led away by the opinions of these people, but to be guided by their own representatives upon whom they rely and whom they have sent here to govern India and also give weight to the representations of the people of India. You have called certain of our people as representatives at the Conferences and they told you exactly what we want. All the time all the representatives were saying that India does not want to go out of the Empire, we want to be within the Commonwealth and work for the good of India. Not co-operation at your dictation, but co-operation as two equal men would desire one from the other. That, Sir, is the position which I respectfully submit for the consideration of Government, and I ask that they should support me in this matter. Because, do they not know the position in the country? It is upon that ground that I put it, and there should not be much difficulty in their seeing eye to eye with me in this matter.

Lastly, I will say one thing. I do not mind whether you dissolve this Assembly or you continue it. But I want to be told exactly what the position is going to be. If you are going to dissolve the Assembly, tell us that you are going to do it; and if you are not going to dissolve the Assembly, tell us that you are not going to do it; because, fighting an election, specially under existing conditions, in the Provinces is a somewhat difficult and expensive affair, and we ought to wake betimes to see what we are going to do, assuming that we want to come back again to this Assembly. Consequently, I respectfully submit that Government should make a pronouncement upon that. I know they will say that it is within the province of the Governor General, but I do not believe in that fiction, and I will tell you why. Of course I do not dispute that it does lie within the Governor General's discretion and he does exercise that discretion. But there is such a thing as a Constitution and there is such a thing as constitutional procedure. For instance, when people were invited to the Round Table Conference, there was a complaint made that some other persons were not invited. Government said that it was the Secretary of State that had invited them. Do they ask us to believe that the Secretary of State over there knew exactly who we are and whom we represent and whom not to invite, and all that? No, Sir, that sort of thing will never do. (Laughter.) It is rather slim and it does not go

[Raja Bahadur G. Krishnamachariar.]

down our throat. Consequently, do not take us to be babies. We can understand the thing, only we do not say so, because, according to an ancient Sanskrit *sloka*, where we want to be friends, we must never enter into a discussion. You take what he says or he takes what you say.

Lastly, Sir, I will conclude with the recital of one small story in connection with the repudiation of pledges. A shepherd, with a huge flock, was caught in the middle of a storm and prayed to God, "Oh, God, if you save my flock, I will tomorrow give you one goat in sacrifice". His wife was behind him and said, "How can you afford to lose one goat?" Well, Sir, having attended dramatic performances, you know such a thing as saying aside. This shepherd made a sound of saying aside, "Let the flock be saved, and I am not going to give one hair to God Almighty". (Laughter.) Do not take that line, and that, Sir, is my respectful submission.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Sir, I rise to oppose the motion moved by the Honourable the Leader of the Centre Party. The Raja Bahadur, in the beginning has told us that he wants to expedite the Reforms although he says that he does not care to enter into the merits or the demerits of these Reforms. I wish to say that before we want to have the Reforms hurried up, we ought to have some idea of the stuff of which these Reforms are made. What do we mean when we talk of these Reforms to be hurried up? We simply mean the White Paper scheme. Now, there are two different points of view in judging the White Paper scheme. The one point of view is, how much power is being granted to India by that scheme, and the second point of view is, whether that scheme increases our worth and fitness for the use of those powers or not. We may not care to know, according to the Raja Bahadur, the merits or the demerits of the scheme, but we should have one thing clear in our minds; and that is, whether that scheme is going to lead us on the road of development towards a common nationality and self-government. Taking these two different aspects into account, I do not want to speak about the powers, though I share the general complaint that they are much below the expectation, but so far as our fitness for the use of these powers goes, I have got definite views on that point. I think the scheme of the White Paper, instead of leading us towards the further development of nationality or self-government in this country, is taking us much backwards. In order to explain what I mean, I will read one sentence from an article that appeared in the *Hindustan Times*, on January 22 last. This article is from the pen of an Englishman whom I do not happen to know. He says in the very beginning:

"Britain is committed, or so we are told, to the policy of progressive realisation of responsible self-government in India."

And then he adds:

"The White Paper's idea of responsible government is a mixture of mediæval institutions that will make India a vast continent of warring creeds in every city, in every Province."

The rest of the article is simply an explanation of this first sentence. I want to say that I quite agree with this view that is so clearly expressed by an Englishman who is unknown to me.

We have to note that there was a time when India was free and independent. Then we lost our independence. And now we are trying to reach the goal of self-government. While making that attempt, we ought to see what were the defects which originally brought us to this state of subjection. I believe it were the differences and divisions among various communities, and religions and differences of Provinces that proved the great stumbling block in the way of the growth of a common nationality in this country. That was the main cause of India losing her independence. Now, again, while on the one hand we are being granted certain political privileges in the name of advance, practically, as far as the real situation is concerned, we are being brought back to the old condition of division of races, communities, religions and even of Provinces in this country.

I think the idea, that was mooted here that we should settle among ourselves with regard to our claims in the future Constitution, was not fair and was not the right process. If a new Constitution was to be framed for this country, the only practical way was to do it on just and proper lines and it could be done by those in whose power it was to frame the Constitution. But to start by asking the different communities to come to agreement on a question of their claims, was, I think, merely a trick to divide the communities and to lay emphasis on the differences amongst them. However, we see when once this move was made, the Indian National Congress took up the challenge. They appointed a Committee which brought out the Nehru report, I want to lay before you the principle which that Committee adopted with a view to settling this question among the different communities. That Committee laid down definitely that, in the future Constitution, there should be no separate electorates, there should be no reservation of seats for the majorities, and that for Muslim minorities seats should be reserved wherever separate seats were demanded. Next we come to the Central Indian Committee. That Committee was composed of certain Honourable Members of this House and certain other gentlemen, and in their report they also laid down the principle that while the Muslim community was desirous of separate electorates, "the majority of the members of the Committee believe that wider considerations must override the wishes of particular communities and that communal electorates should be abolished throughout the country". At the first Round Table Conference, we find the Premier making a very fine speech against communal electorates and at the end of which he said:

"I am convinced, my friends, that you can settle this problem. . . . I am also convinced that an imposed agreement might make your Constitution unworkable."

I want to draw the attention of Honourable Members to this sentence "an imposed agreement might make your Constitution unworkable". That was said by the Prime Minister of England in the speech delivered at the First Round Table Conference. My point is very simple. I have been throughout the country and I have met thousands of people in various places in each Province—I mean the Hindus—and I can say with authority on this point that I have not found one single Hindu in any place who would consider that this Communal Award given by His Majesty's Government was satisfactory or acceptable to the Hindus. If the idea is that without agreement no Constitution could be formed or worked, I do not understand how a Constitution like the White Paper scheme, based on an arbitrary award, can be drafted while there exists no agreement and while one large community in India has no mind to submit to this scheme.

Now I come to the Simon Commission's Report. I want just to quote one remark. They say:

"It is evident therefore, that communal representation is a very thorny question. . . ."

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair does not want to interrupt the Honourable Member's speech. The Honourable Member, Raja Bahadur Krishnamachariar, made it perfectly plain that what he intended to raise by this motion was the question whether the White Paper Scheme was to be expedited. The Chair allowed the Honourable Member to proceed so far, because his object was to show that the White Paper Scheme was not satisfactory to him in certain respects, and, therefore, that scheme should not be expedited. But beyond simply indicating that, the Chair cannot allow him to go into the details of the scheme of the White Paper, including the Communal Award. That he cannot do; it is clearly outside the scope of this motion.

Bhai Parma Nand: I submit, Sir, that I am not going into the details of the Communal Award at all. I am just giving the principle on which this Award is based: the Communal Award forms the basis of the White Paper scheme, and you cannot take away the Communal Award from that scheme and still talk of Reforms in any sense.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member will be entitled simply to say that the Communal Award is unsatisfactory to him and so vitiates the scheme, that in his opinion this scheme ought not to be adopted. Beyond simply making that statement, he cannot examine the Communal Award and enter into an elaborate analysis of that.

Bhai Parma Nand: I beg to submit again that I am not entering into the details of the Communal Award. On that, I have already spoken in this very House and spoken in detail. I am not talking of the details, but I am talking of the principle on which this Communal Award is based and on which the whole of the White Paper scheme is based. The Communal Award is an essential and integral part of the scheme, and, therefore, when I speak of the principle on which this Communal Award is based, I must show that the entire White Paper scheme is coloured with this Communal Award, and, therefore, it is unacceptable to us. I am not talking of either what the Communal Award actually is or how it is unjust. I am merely discussing the principle of the Award and how the principle was considered by the Central Indian Committee, by the Government of India or by the Simon Commission

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member has got just three minutes more and he must conclude.

Bhai Parma Nand:

"It is evident therefore"

—say the Simon Commission—

"that communal representation is a very thorny question and one as to which there cannot be said to be anything approaching agreement in India today. When the Montagu Chelmsford Report was written, its authors, in dealing with this subject, were a great deal influenced and helped by the fact that the Lucknow Pact had been recently arrived at and could still be regarded as embodying a compromise which carried the assent of the leading representatives of both communities."

And this is what the Government of India say in their despatch:

"The Commission's report contains a carefully prepared and closely reasoned examination of the issues at stake. The conclusion reached is that in the absence of agreement between the Muhammadans and the Hindus the Commission are impelled

to assume in this matter a continuance of separate communal electorates; and if there are to be communal electorates, the outstanding question left for decision is the proportion of seats in various Provincial Councils to be set aside for different communities."

Mr. S. G. Jog (Berar Representative): May I know whether the Honourable Member means to say that he does not want the Reforms?

Bhai Parma Nand: Then the Government of India go on and say very clearly that the Commission held that, in view of the weakness of the Muslim minorities in six out of the eight Provinces, the present scale of weightage in favour of Muslims may properly be maintained. On the other hand, the Commission ranged themselves definitely against the full claim put forward by the Muslim community.

I simply want to say this much: With regard to the communal principle the principle that was laid down in the Nehru Report was practically corroborated by the Central Indian Committee, but the Simon Commission while being forced to accept separate electorates for both communities said that they did not want to go beyond the Lucknow Pact to which they had agreed. The Government of India Despatch also confirmed the same view. They knew that no agreement was possible, and, therefore, they said that as regards the allocation of seats to different communities, the present proportions should be continued. Now, what do we find as the basic principle of the Communal Award? . . .

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order The Honourable Member's time is up.

Bhai Parma Nand: I will take only one minute more and then finish. The principle underlying the Communal Award is that no regard is to be had for justice or equity. The Government are determined to show special favour to one community without paying the slightest consideration to the recommendations of the Commission or of the Committees that had made investigation on the subject. They have given an Award which was not needed at all. Had they even followed the principle of justice and equity, all this trouble would not have occurred. Therefore, my point is that this Communal Award is very favourable to one section, while it is unacceptable to the other. And, as the whole White Paper scheme is based on the Communal Award, I say that, as long as the Communal Award forms the basis of the White Paper scheme, we are not going to accept it; and unless it is modified considerably, I do not see any use in hurrying this scheme through at all. So I oppose the motion.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I do not want to enter into any communal wrangle or to discuss the scheme of the White Paper on communal grounds or any other grounds, except on national grounds. Sir, the goal of India has been not to obtain this White Paper which has been flung at our faces like theatrical publications. Our goal is Dominion Status and full Dominion Status. What we want is that the Reforms should be expedited. That is the crux of the whole motion which has been brought forward today by my friend, Raja Bahadur Krishnamachariar, and not the White Paper scheme. If it is said that the whole scheme is contained in this White Paper, I say it is not, and nobody in this House will agree with the view that everything that we want is contained in

[Mr. Muhammad Azhar Ali.]

this White Paper. The whole picture is not here. When the Indian delegates went to Europe, we were blamed that we were fighting among ourselves, but, Sir, are we not sitting silent and united today? We are doing absolutely nothing except listening to the stories of Rothermeres and Churchills. But what do we find in England? We find that parties are flinging themselves upon each other, they are cutting each other's throats, they are denouncing each other, they are sending deputations after deputations, Commissions after Commissions, and what is more, even private persons are coming out to find out what view we hold today about the Reforms. Sir, it is really very strange that people in England as yet do not know what India wants, and it is a matter to be deprecated very strongly that the Indian Government or even the Secretary of State has not taken the trouble to enlighten the English public as to what India really wants. (Applause.) I do not like to blame those friends who went from here to the Round Table Conferences,—and among these friends there were not merely men, but also ladies,—I would not blame them, but I would call the whole show a theatrical performance and nothing more.

Sir, conditions in India are very discouraging and unsettled. My friends in this House may be absolutely safe, but I say and say it boldly that unless we make India's goal self-Government or full Dominion Status, we shall find the whole country ranged against us if we go for elections. We feel, Sir, that we are not getting what we want. My friend, Sir Henry Gidney, complained that his people were not getting what they want. Here is my friend, Bhai Parma Nand, who says that he is not getting what he wants, but whatever that may be, I must warn the Government that we are going through very critical times. There is terrorism in Bengal, there is starvation and misery in Bihar, there is unemployment in the country, people on the Frontier are aspiring for freedom. With all those conditions facing the country, the White Paper scheme, as it is presented to us, would hardly meet the needs of the country today. We all with one voice object to the safeguards. Innumerable safeguards have been put in the White Paper, and we all object to them. We do not say that we do not want any Reforms; on the other hand, we do want Reforms, we want such Reforms which may be consistent with our self-respect. I would ask the Government to give up this unreality. What I find now is this. Almost all the conditions, which have been laid down in the White Paper, have been fulfilled by the Indian people. The Reserve Bank Bill has been passed, and the Reserve Bank will come into existence very shortly. All the financial conditions which were prescribed as a pre-requisite in paragraph 32 have been at least practically fulfilled. Those conditions are these.

The first condition is that the Indian budgetary position should be assured. I ask the Government whether the Finance Member's Budget is not enough to show to the British Government that our budgetary position is quite all right. The second is that the short term debt of the Government, both in England and in India, should be substantially reduced. I ask whether this too has not been done, and I say that it has been done. The third is that adequate reserves should have been accumulated. I would say that more than adequate reserves have been accumulated both in England and in India. But I would say this much that the substantial export of gold is really ruining the Indian position to a very great extent, and, just as our gold has gone, I know

that after a few months Sir George Schuster will also have gone out of India (Laughter), and we shall be poor both in gold and in Sir George Schuster. The fourth condition is that India's normal export surplus should have been restored. It is a matter of regret that our exports and imports have not improved.

An Honourable Member: But it is improving.

Mr. Muhammad Azhar Ali: What I meant to say was this, that if such pleas were taken by the British Government, and if the members who are coming out from England were to enquire into the affairs in India and find out that the fourth condition was not fulfilled to its perfection, and report "Here is an item that we have found out which is not satisfied, and, therefore, Reforms should not be given to India",—if such pleas were taken, I submit that it would really be to the detriment of this country, and God knows what will happen by the time the Reforms come. There is a provision in the White Paper, and the time has come when Parliament should take action under that provision. This is the provision:

"But the coming into being of the autonomous provinces will only be the first step towards the complete Federation for which the Constitution Act will provide; and His Majesty's Government have stated that if causes beyond their control should place obstacles in the way of this programme they will take steps to review the whole position in consultation with Indian opinion."

In this way speed up the Reforms.

After these five or six years that we have been having these Round Table Conferences and Franchise Committees, and so on, we are now going to have private commissions coming out to India, and I think the time has come when the British Government should take stock of the whole situation and take some action in consultation with opinion in India. And what is the Indian opinion? I have stated that opinion before, namely, to have self-government and full self-government for India.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadian Rural): My Honourable friend, Mr. Gaya Prasad Singh, cries *Bapré Bap*. I am going to disappoint him on the present occasion.

An Honourable Member: In what way?

Mr. N. N. Anklesaria: In ways which I shall presently mention. When I learnt of this cut motion, I had some doubts as regards its propriety at the present juncture.

An Honourable Member: Coming from your Leader?

Mr. N. N. Anklesaria: I thought a motion of this kind at this time was likely to do more disservice than service to the country by embarrassing our friends in England.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

[Mr. N. N. Anklesaria.]

But the Honourable the Mover has made it quite clear that it is not his intention in moving this motion to give scope for bitter controversies which are at present happily not in fashion in this country. My Honourable friend, Bhai Parma Nand, has somewhat disappointed me as regards the attitude which he took up. I can assure him that utterances like his are more likely to do harm than good to the interests of this country.

An Honourable Member: In what way?

Mr. N. N. Anklesaria: The way in which they would do harm is, firstly, that it would embarrass the Secretary of State and make his task much heavier than what it is in fighting the opponents of the Reforms in England.

An Honourable Member: Supposing we do not care for that?

Mr. N. N. Anklesaria: If you do not care for that, then I say you do not care for your country. If this motion serves to bring to the notice of the British people that delay has been causing a good deal of discontent in this country, it will have done some service to the country. There are really dangers in delay, both as regards what is happening in England and what is happening in India just at this juncture. When I was in England, I had opportunities of talking on the present Reforms with several English gentlemen, and my conclusion was that a vast majority of the English people were genuinely anxious to see that Indian political aspirations were satisfied and satisfied at the earliest moment possible. There is some opposition no doubt, but the opposition is from certain vested interests and certain political cranks and political back numbers who oppose every Government measure simply for the sake of opposition. We should have expected that personalities like Sir Samuel Hoare, Lord Irwin, Mr. MacDonald and Mr. Baldwin should have by the strength of their own character and by means of the public confidence which they undoubtedly enjoy in England, and lastly by the righteousness of the cause they have been advocating—would have taken some decisive action to overcome the intrigues and machinations of the reactionary elements in England. But unfortunately while these great men are hesitating, undecided opposition to them in England is thickening and daily gaining in volume and momentum. There is no doubt that the present Government is one of the strongest Governments in the history of England, but the strongest Government is enfeebled by continual criticism and opposition and that is exactly what is happening in England today. The Government have been losing election after election and the Government majorities are dwindling. In these circumstances, instead of adopting a bold and decisive policy, the British Government are adopting a policy of, what I should say, cajolery and compromise and the whole White Paper scheme is being whittled down by assertions, by criticisms and by explanations and contradictions of those explanations. I would not mention the fuss about the statements of some of the Governors and of the Viceroy on which my Honourable friend, the Diwan Bahadur, spoke the other day, but these are instances in point. Caution is no doubt essential in connection with all political innovations, because the phenomena which are being dealt with are so

very complex. We can predict with certainty what will happen if an acid is added to an alkali; but when 350 millions of people in all stages of material and moral and political development are granted by their foreign rulers democratic institutions and political freedom to which they have been utter strangers for generations, who can say what the result will be. The stage of caution, however, is past. After the momentous decision has once been taken to grant India the status of a dominion, in the fullness of time, of course, by the Montagu-Chelmsford Reforms, that decision has got to be implemented without hesitation and doubt or misgiving, for, Sir, in the words of Mr. Montagu, we are now entitled to say to the British people "Intellectually we are your own children, and now we have attained our age of majority and you cannot withhold from us what you, to your eternal glory, have been teaching us for generations to regard as our birthright".

If the delay as regards the granting of Reforms is doing harm in England, the effect which such delay is producing in India is even more disconcerting. Firstly, the whole Federal idea on which the Reforms are based is losing ground. The main prop of the Federal idea, I mean the princes, are now slackening in their support of the scheme and this I know from personal conversation with some of the princes. No doubt, Hyderabad, Baroda and Mysore have expressed their definite approval of the Federal idea, but they have made it perfectly clear that no final decision can be expected from them till the complete picture is put before them and, even in this their mere approval of the scheme, some of the smaller States now refuse to join, because they believe that while these big States have got some *quid pro quo* for their having approved of the scheme, the smaller States stand to lose everything and can gain nothing by entering the Federation. The worst of the thing is that the *quwarajas* or the heir-apparents are now beginning to ask their elders as to what they are doing with the inheritance which they, the elders, are bound to transmit to them undiminished and undamaged. Personally I am humbly of opinion that the non-entry of the princes into the Federation should be of very little concern or should be of very little regret to anybody in this House. "Put not thy faith in princes" is as true today as it was when it was first written, and I say if any British politician relies on the princes as an element of stability in the Constitution, I say he relies on a broken reed, and I am prepared to cite historical instances to show that these princes are likely, more often than not, to behave like battle elephants, who do more harm to their own party than to their enemy.

An Honourable Member: What about the Princes Protection Bill?

Mr. N. N. Anklesaria: That has got nothing to do with this. Secondly, suspicions and fears are being aroused in the minds of responsibly minded Indians by this delay. Many fear that the history of broken promises and repudiated pledges is on the eve of being repeated. Sir, to placate the opposition of their followers, Sir Samuel Hoare and his friends are adopting a policy, as I said, of cajolery and compromise, and we Indians feel that even the scanty Reforms given in the White Paper are being whittled down by heaping safeguards upon safeguards.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member must now conclude.

Mr. N. N. Anklesaria: I shall take only one minute, Sir. That what is being given by the British Government with one hand is being taken away by the other. Sir, there is much justification for this feeling among the responsible-minded Indians and it is a feeling which no sane-minded British public man can possibly ignore. Sir, I am decidedly of the opinion that these safeguards, while safeguarding nothing, will only irritate and antagonise opinion. (Hear, hear.) After all, Sir, this is an empire of opinion. Damage or destroy that opinion and there is nothing for the empire to rest upon. I would say to the British Government: "Do not delay, do not waste time in haggling over safeguards". I would say to them in the wake of the Great Queen:

"In our belief in the purity and impartiality of your justice, in our belief in the righteousness of your rule, and in our belief in the benefit of the British connection have always lain and will ever lie your greatest guarantee, your best bulwark, your safest safeguard".

Sir, I support the motion. (Loud Applause.)

Sir Cowasji Jehangir: Sir, I do not know whether the intention of my Honourable friend, the Raja Bahadur, in moving this motion has really been fulfilled up till now. I believe his intention was to impress, as far as it is possible for us to impress anybody outside this House, with regard to the urgency of the Reforms being put into execution in this country, and he very wisely stated that this was no occasion to go into the merits of the Reforms.

Last year, Mr. Deputy President, we had a full-dress debate on the White Paper. Most of us had an opportunity of expressing our dissent from some of the proposals. Those who had the privilege of going to England for four years gave their opinions in no hesitating manner in England, and most of those opinions have now been embodied in a memorandum signed by our four colleagues here and others who went to the Joint Select Committee. Sir, the issue raised by this motion is: "Do we want the Reforms as soon as possible, or are we prepared to stand some delay?" I do not think there is a single Honourable Member in this House, whether it be from the European Group or whether it be on the Official Benches, who will say that they want any unnecessary delay. There are some in this House who will say that they do not agree with certain parts of the proposed Constitution, like my friend, Bhai Parma Nand. There are others, most probably who will follow me, like my friend from the Punjab who will say that the Sikh community has not received justice. There may be others still who will contend that Sind should not be separated from my Province. There may be even some more like my friend, Mr. Ghuznavi, who will say that they are not quite satisfied that their community has got all they demanded, but, Mr. Deputy President, I believe there is not one single Honourable Member in this House who will seriously contend that there is scope for delay in Reforms for this country. Sir, my Honourable friend, the Raja Bahadur, gave some very cogent arguments for there being no further delay; and if I may point out to him, there was one symbolical argument in the red shirt he has worn today. (Hear, hear.) Sir, he warned Government of some thing. They are well aware that there is a school of thought, increasing in numbers, who are looking towards Russia for inspiration. That is a very serious warning, a warning that should not be neglected. But, Mr. Deputy President, I would venture to suggest to my Honourable friend that he was moving a Resolution amongst those who are already converted. He ought really to

have gone to England and lectured to many of the English politicians who are anxious not only for delay, but that there should be no Reforms at all; and, believe me, Mr. Deputy President, it surprises one in India to find such ignorance even now in England about this great country, and sometimes one cannot help thinking that the ignorance betrayed by some well-known public men in England is deliberate. They do not want to learn. They are anxious to remain ignorant, and they are anxious to remain ignorant for the sake of party politics, and it is most unfortunate that India should have become a part and parcel of British party politics. Here is a speech that has been reported in all papers by a fairly well-known Member of the House of Commons, Sir Henry Page-Croft. Now, this Sir Henry has told an audience in a speech at Chichester that there is nobody ready to work the Reforms sketched out by the White Paper. Then, why, he asks, do Government give any Reforms to India if such Reforms are not going to satisfy anybody? Then, he further suggests that it might be tried in two Provinces if Government are determined to have a more democratic form of administration in this country.

Now, Sir, I am fully aware of the fact that there is a school of thought in this country that does not hide its light under a bushel and 4 P.M. who have proclaimed from the house-tops that they would rather have no Reforms than the Reforms sketched out in the White Paper. But they do not constitute the whole of India, and I do not think it is playing the game for men who ought to know more and better to say that these Reforms will not be worked by anybody and to make party capital out of such arguments. I am prepared to agree that there is nobody who is quite satisfied with the White Paper. Every one of us has criticised it and every one of us requires amendments in it, but the crux of the question is that if the White Paper becomes law, who is going to run the administration of the country in India? I contend that, if the White Paper, as it stands today, becomes law, there will be many men ready to co-operate and work the Constitution, but they will do it with the object of getting further Reforms. They will do it with the object of putting further pressure upon His Majesty's Government to give further Reforms. But if the future Reforms are not exactly on the lines of the White Paper and the White Paper is amended on the lines suggested by ourselves during the last four years, then I contend that the Reforms will be worked by a very large body of men in India with the object of making these Reforms a success, and for a number of years at least the Constitution will not require further amendment. It is because that we desire to work a Constitution that will not require amendment for a number of years that we press and press most strongly our views upon His Majesty's Government that the White Paper should be amended as suggested by ourselves during the last four years, for we believe that in that case, not only those who today are called Moderates, but a very large percentage of those who are today called Extremists will come in to work the Reforms and to work the Constitution to the benefit, not only of India, but of the Empire. Therefore, I believe that the motion moved by my Honourable friend has the unanimous support of this House. We have our reservations, every one of us, but on the whole there can be no doubt that everybody in this country is anxious that the Reforms should come as soon as possible and that delay would mean great danger. We would point out to our critics both in this country and in England, who are known as die-hards, that they are no friends of their own country and their Empire and history, we believe, will prove that their own country and the Empire have no greater enemies than

[Sir Cowasji Jehangir.]

those whom today we know by the name of die-hards. Sir, one cannot but come to the conclusion that this agitation in England—in Parliament and on the public platform—against any kind of Reforms is a part of party politics which comes from disappointed men, men who once hoped to be in office, but find themselves now out of office, and nothing to do. I would invite them all to India, and I believe the House of Commons would be most grateful if they accepted our invitation for a year or so. If I had the power, I would make some of them Collectors of certain districts in our Presidency or in any Presidency in India—say, in Bengal—and I feel certain that after the end of a year or so they would go back to their country very different men to what they were when they came out. It is very easy for these men to criticise their own countrymen in this country and ourselves, sitting in arm-chairs in their clubs or in arm-chairs in the smoking room of the House of Commons, but if they and their families had to work in this country amongst people who are dissatisfied and disgruntled and who do not want to co-operate or had to work in certain parts of India even at the risk of their lives and the lives of their wives and children, then they would realise and realise very soon that a change was necessary in this country and that too as soon as possible, both in the interests of England and in the interests of the Empire. Nothing can teach them that lesson unless they are made to come out and face the realities in this country. Therefore, I welcome to this country the visit of every Tory M. P. The greater the die-hard the more I would welcome him, because I feel certain that when he went back to his country, he would not criticise Governors or Members of Government for even mentioning the word "Reforms", and he would learn that such criticism is contemptible and is believed to be contemptible by all right-minded men—Indians and Englishmen—in this country.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, there is a Persian proverb:

"Danan dushman bih zi nadan dost."

It means that a wise enemy is better than a foolish friend. We have got in India a lot of foolish friends who, in their zeal to speak out the mind of the public and of the masses and thinking that they are pleasing some people outside by creating some kind of agitation, go on with these communal talks, but they are not alive to the injury that they cause to India's good. These people think that they are pleasing this House and also the people outside, but they are the greatest hindrance to the progress of this country and they are the cause of the slavery of this country. Every time they get up on the floor of the Assembly or outside, they speak of this communal tangle and thereby they strengthen the hands of the enemies of India. My Honourable friend, Sir Cowasji Jehangir, has read out extracts from a paper and it is such talks that strengthen the hands of the die-hards in England who do not want to give any Reforms to India. What is the good of people in India getting up and saying, we do not want this thing or that thing, because it does not satisfy the whims of certain individuals? May God save India from the hands and from the counsels of such friends. They are injuring the cause of India immensely. I was greatly amused when I heard my Honourable friend, Bhai Parma Nand, speak. I have great respect for my Honourable friend, I only pity him, because he is misguided. I knew him since 1913 and I still give

him credit for his outspokenness, but I think his advocacy on certain matters does not bring credit to the vast community to which he belongs. I think by his speech he is doing the greatest injury to the cause of India. My friend was saying that he was speaking as a nationalist, and when he was talking nothing but communalism, I was reminded of a Persian proverb which says:

"Nihand nam bur uks zungi kafur."

It means that the negroes always give to their children the reverse name to their own colour, that is they give them name "camphor" which is of white colour, when the child is black. Sometimes we call our friends snowballs on account of black colour. So when a man speaks nothing but communalism, he begins to say that he is a nationalist. My friend may say that he went round the country and that he addressed vast numbers of people in different places and he found that everybody was dissatisfied with the White Paper. I think he was exaggerating a little bit.

Bhai Parma Nand: I was referring to the Hindus only.

Mr. Muhammad Yamin Khan: I too have got many friends amongst the Hindus and I mix with a lot of them and certainly they do not share the views which have been expressed by my Honourable friend.

Bhai Parma Nand: Can you name one public man amongst the Hindu community in favour of the Communal Award?

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member is not giving way.

Mr. Muhammad Yamin Khan: I say, Sir, that they would all like to live peacefully with the different communities. There are thousands of Hindus who want to live peacefully with other communities. My Honourable friend was touring the country inspiring the people from place to place to carry on agitation. I myself have read in the newspapers that Bhai Parma Nand visited such and such places and all the people agreed with his views. What could the poor people do? They do not know what is good for them and what is bad for them? If anybody stands up in the name of the Hindu religion and creates a disturbance in the minds of the masses, these poor people are led away. Of course, if I want to create a disturbance in the minds of my Muslim friends, I can do so in one day. If I get up on a platform in Chandni Chowk, I can get a huge following by making a fiery speech and calling upon the Muslim to have *Jehad* on the Hindus. But will I be doing justice to my country? So there is no use of my Honourable friend, Bhai Parma Nand, saying that the Hindu community agreed with his views. The Hindu masses did not know what the real point was. They did not know what was going on in politics. I may say from my experience that the Hindus do want to live peacefully with their neighbours and they want to mix socially with all the people. Supposing there is a *panchayat* in a village. Unless all the people belonging to all castes and creeds are invited, that *panchayat* is not complete. No settlement can take place in any village unless all the communities are represented in that *panchayat*. This has been the custom from time immemorial. People have been living peacefully with their

[Mr. Muhammad Yamin Khan.]

neighbours. A handful of people in India may create agitation and try to convert other people to their own views, but the masses of India, in whose name my friend purported to speak, whether Hindus or Mussalmans, do not want this agitation. By his speech in this House, my Honourable friend is creating a wrong impression, both inside this House and outside India, that the people are ready to follow him. By his action my Honourable friend is only strengthening the hands of our enemies who will say that India is hopelessly divided, that the Indian people do not see eye to eye and that one man, if he does not get the things he wants, says "I do not want the whole thing absolutely".

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

My Honourable friend, Sir Cowasji Jehangir, said that there is another gentleman in this House who will get up and say that because Sind is going to be separated, no Reforms are necessary for India. In this way, we will go on fighting and our enemies will simply laugh at us.

I can say about the United Provinces that we, Muslims, form only 14 per cent of the population, and because we cannot get a majority in the Council, does it mean that we should get up and say: "We do not want Reforms for the whole of India, because the Muslims in the United Provinces will suffer"? Have we ever said that? We have always relied on the goodwill of our Hindu friends in the United Provinces. We stand by our Hindu friends through thick and thin. We do not mind if our Hindu friends get a majority in the United Provinces Council. We have seen that the Hindus and Muslims in the United Provinces have been living most peacefully and amicably. We have found that even the Muslim Minister in the United Provinces has got the greatest support from the Hindu Members of the Council. Because it is the United Provinces, we are all united. This kind of impression given out by my Honourable friend, Bhai Parma Nand, and communalists like him will give a handle to our enemies in England, and the progress of Reforms will be much retarded. Let these two Provinces separate if they want to. As a matter of fact, Sind was formerly no part of India. There were two countries, as we find in old books, Hind and Sindh, Hind being India and Sindh being beyond the Indus and not included in India. If they want to be separate from India, let them be so, but why do they disturb the peace of the whole country? If the people of the Punjab had not disturbed the other Provinces, then the other Provinces would not have demanded communal representation or separate electorates, etc. I say, for God's sake do not speak in the name of India, and let us live quietly and peacefully.

Sir, I support this motion, because this will stop the methods of people of this type who are still creating agitation in the country. And these agitators will live only till the Reforms are introduced. When that is once done, everything will settle down and we will have peace.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should conclude now.

Mr. Muhammad Yamin Khan: That is why I support this motion, but, at the same time, I think there is no use in the Raja Bahadur's dividing the House on this motion. We cannot censure the Government of India for not expediting the Reforms, because it is not in their power to do so.

It lies entirely in the hands of Parliament, and when the report of the Joint Parliamentary Committee is published, we know that no time will be lost, and I do not think there is any justification in censuring the Government of India, except to draw the attention of somebody outside through the Government of India that it is desirable that the Reforms should come soon.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I shall not be very long as I know the Honourable the Leader of the House will have to interfere in this debate.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Why should he interfere?

Mr. O. S. Ranga Iyer: My friend, Mr. Amar Nath Dutt, with his usual sense of humour, asks me, why should he interfere. He will interfere probably to inform us that this debate will be communicated to the Secretary of State for India, because, so far as this House is concerned, I am perfectly certain that Mr. Yamin Khan was expressing its views when he said that we were not going to divide the House on this issue. Sir, I did not imagine that Mr. Yamin Khan would put his head into what I might call a communal halter (Laughter), but when he did so, he did it with a view to supporting this motion which in a sense Bhai Parma Nand also while opposing supported. He only wanted incidentally to have an opportunity under the rules of this debate to put in his claim to express the views of the Punjab and of the great Hindu community which in this House and outside in the country he has always courageously represented. As the President of the Hindu Mahasabha, I know, Bhai Parma Nand—more than any single individual in my community, so far as this House is concerned,—I know, Bhai Parma Nand commands great respect and great influence. He has only one rival in the country and that is the Indian National Congress.

Kunwar Hajee Ismail Ali Khan (Meerut Division: Muhammadan Rural): What about Mahatma Gandhi?

Mr. O. S. Ranga Iyer: Well, we shall come to Mahatma Gandhi presently. That is a very interesting question. I do not know Mahatma Gandhi's views on the question of council-entry, because I did not meet him while he was in Delhi. But to judge from a statement published in the Press and not contradicted by the Mahatma, he said, "Why continue this paralytic existence? Why not go into the Legislature if you cannot come with me or go somewhere working up your views and your politics?" I am very grateful to my friend from the United Provinces for having interrupted me, for it brings me direct to the issue raised by this cut motion, and it is this. In India today people are tired of the Civil Disobedience Movement. Even those who have been in it and believed in it are tired of it, because it has been defeated.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): It has not been defeated.

Mr. O. S. Ranga Iyer: My friend from the Independent Party represents, I am certain, the views of his constituency in Bengal when he says that it has not been defeated, and when he says so, I am sure he speaks with that Bengali imagination. No movement, as was once said by

[Mr. C. S. Ranga Iyer.]

Deshabandhu Das, can be defeated if men who enter that movement have a will of their own. Sir, where there is a will, there will also be a way, and the way at present is the Council way. That was the lead that Deshabandhu Das gave after going through the Civil Disobedience Movement. He knew there was the unconquerable will of the nation to come into its own and he decided,—not having had an earlier opportunity, at the Calcutta Special Congress—to translate the storm centre from the country to the Council. That opportunity was availed of by the Congress and once again,—history is repeating itself—the Congress is thinking of going into the Councils. But at such a time it is for His Majesty's Government not to delay matters, for political waves and political winds do not flow and blow always the same favourable way. There has been no time in the history of recent Indian agitation so favourable to introduce the new Reforms with the purpose of transferring the forces of agitation from outside to inside as now. And I want the Government of India to inform His Majesty's Government to seize the occasion by the forelock, and not tire the country, to introduce the Reforms. Sir, I would say to the Secretary of State through you and the Government of India who will communicate this debate to him:

“Shun delays, they breed remorse,
Creeping snails have weakest force.”

And the position of the reformer, of the constitutional agitator, the Constitution itself, will be that of a creeping snail if they do not immediately without delay introduce the Reforms, and that will involve, I know, speeding up in Whitehall. I am not today going into what the Raja Bahadur referred to and other speakers referred to including my Honourable friend, Sir Cowasji Jehangir, who thought it would be a good thing for Members of Parliament to come into this country and amuse themselves and in the meantime carry this Government of India Bill, however controversial it may be, embodying the White Paper, through the Commons. I do not mind their being in their own country, for they are people whose vision is not wide. They are people who are animated by views which were popular in a century that was, and some of them, whom I have seen and talked to like Mr. Winston Churchill, are men with great patriotism, very great imperialists, genuine and sincere in their agitation, who are anxious that the power and the glory of the Empire should not become less than what it is. I told Mr. Winston Churchill, I had read that chapter in his book “My early life”, about his “Education in Bangalore” with great interest. I do not for a moment believe that if Mr. Churchill today were in the Cabinet he would have abandoned the fight that he is putting up in the country. He fought on the issue of the Irish settlement; he fought on the issue of the Egyptian settlement; he would have fought, not us, but his colleagues in the Cabinet on the issue of the Indian settlement. It is a great pity, it is a tragedy that such a resourceful personality was left out of the Cabinet, for, had he been inside the Cabinet, he would have been isolated and he would not have let loose that great agitation with all his remarkable powers, that he has let loose in England. Consequently, as I said the other day, Englishmen hate us as they never hated us before, and Indians, if these Reforms are delayed, will once again develop a national antipathy, which it will not be wise for us to allow them to develop. That is why I say that those who believe that the White Paper Scheme is good must proceed immediately with every ability and every resource that is theirs, proceed immediately with the scheme and place it on the

Statute-book. Good is best when sooner wrought; lingering labours come to naught. Especially so in India where the constitutionalist has to face two opponents. He has to face the wreckers who will come into the Legislature with the purpose of wrecking the legislative machine just as it was wrecked in Russia—the Duma was suspended, and after the suspension of the Duma, there were revolutionary forces working in Russia. That will be the method of the wrecker who will come into the Legislature; for I know my friend, Mr. S. C. Mitra, was once upon a time the organiser-in-chief of the most expert wrecking Party in this Legislature, namely, the Swaraj Party; your mantle, Sir, fell on him and he became the Whip of the Swaraj Party. You, Sir, were also flirting with the wreckers. (Laughter.) Therefore, those who come to wreck will stay to work. I am not so much afraid of the wreckers inside the House: I welcome them to this House. Out in the country it may be I may have to measure swords with them, I may have to fight them; but let us fight on a living issue, namely, the new Constitution, not over a corpse, a carcass like the old Constitution which it is time is cremated. That is why I say, works adjourned have many stays, long demurs breed new delays. They also breed new dangers. For there is a split in the Congress. The Right wing of the Congress wants to come into the Legislature; the Left wing of the Congress wants to wait, wait for the tide of public opinion to rise in their favour once again. Are the Government who believe in rallying the Moderates—though there are no Moderates in the Congress—willing to rally the Right-wingers of the Congress? They have got public opinion behind them; if the new Reforms are to be worked, do not delay introducing them. If, on the contrary, the Honourable the Home Member loves revolution, or at any rate a revolutionary atmosphere and then let loose the hounds of Bellona upon the revolutionaries in the shape of Ordinances, repression, and so on, if Sir Samuel Hoare desires a revival of a revolutionary atmosphere in this country and then use all the beautiful machine of repression to crush it, if that is the way in which India is to be governed in the future, the nicest thing will be to delay the Reforms. But then they will be playing into the hands of the revolutionaries. The Government have delayed the Reforms unnecessarily through these tedious Round Table Conferences. Probably these Round Table Conferences were meant for the education of the British people that there is a continental Kilkenny at this end. Fortunately our Kilkenny cats have come to some kind of arrangement; some scheme amidst formidable difficulties has been brought into existence and that scheme, with all its imperfections—and schemes of compromise are imperfect—will be worked; an attempt will be made to wreck it in this country, and if those who want to work it, however dissatisfied they may be with it like Sir Abdur Rahim, like Sir Cowasji Jehangir, like Sir Hari Singh Gour, the Leader of my Party (Hear, hear) and like Mr. Joshi who says “Hear, hear”, if all these people and their followers in the country are to work this scheme and if they are denied a chance of working it at the next General Election, which I presume will be on the new issue and not the old carcass, if they want also to bring into this fight and into the working of the scheme some right-minded Congressmen, I will say “Do not delay very long. Try to get through the Reform Bill which cannot be improved, not because it is perfect, but because there are obstacles in the way of improvement, get through this scheme as soon as possible through the House of Commons and the House of Lords. Face your opponents in India with a *fait accompli*. Even some of those who are quarrelling with the scheme, even some of those who are using the language of the revolutionary, even some of those who are willing to wound, I am certain will be afraid to strike; if the new

[Mr. C. S. Ranga Iyer.]

Constitution is brought into existence. (Cheers.) As a constitutionalist who believes that constitutionalism hath her victories no less renowned than civil disobedience, I will urge with all the emphasis at my command that there should be no further delay, for procrastination is the thief of time, not only in private life but also in political affairs. (Applause.)

The Honourable Sir Brojendra Mitter (Leader of the House): Sir, the object of the motion is to discuss the necessity of expediting the Constitutional Reforms. I may say at once that Government are in full sympathy with the object. (Hear, hear.) We have made it clear in this House more than once that the Government of India and the Secretary of State are doing their best to expedite the framing of the Constitution which as the House will realise, is now beyond their control, and lies with the Joint Parliamentary Committee. It is impossible for me to give any idea to the House as to when the Joint Parliamentary Committee will conclude their labours. I was asked by one of the Members,—I forget who—as to when the general elections would take place. That would depend upon the progress of events in London. But I can assure the House that the Government of India and the Secretary of State are fully conscious of the necessity of expedition. They fully realise the disappointment and discontent which delay in the inauguration of the Reforms will cause. Sir, when the Government are in agreement with the object of the motion, I do not see any point in dividing the House on the motion. If it be the desire of the Raja Bahadur that the debate should be forwarded to the Secretary of State, I shall be only too glad to do so, although it has not been of a very edifying character. It is characterised more by hilarity,—probably last night's rain is responsible for it than prudence—anyhow, if that is the desire of the Mover, I shall comply with his request. If, on the other hand, he wants the Government merely to communicate to the Secretary of State that it is the unanimous opinion of the House that the Reforms should be expedited, then we shall do that . . .

An Honourable Member: That will do.

The Honourable Sir Brojendra Mitter: I am suggesting two possible courses, and, in the circumstances, Sir, I would request the Honourable the Raja Bahadur not to press his motion to a division, but to indicate what he would like us to do. As I have said, we are willing either to forward the whole of the debate or to communicate to the Secretary of State the views of this House . . .

An Honourable Member: Unanimous.

The Honourable Sir Brojendra Mitter: I have just one word to add. In the course of the debate, the White Paper has again been criticised by Bhai Parma Nand and by several other Members. Today we are not discussing the White Paper. We are discussing the simple question of expediting the Reforms. What the Reforms will be, nobody knows. It may be the White Paper as it is, it may be the White Paper modified by the Joint Parliamentary Committee, or, further modified by Parliament,—we do not know what it will be. All that we are considering today is that the ultimate Reforms as they will emerge from Parliament should be expedited. That is the issue before the House. Therefore, all these criticisms about the White Paper are somewhat beside the point, and that is

why I suggested that we should not send the whole debate. If the Raja Bahadur will indicate what his wishes are in this matter, I think we shall be able to come to some arrangement.

Raja Bahadur G. Krishnamachariar: Sir, I consider myself exceptionally fortunate, because, although I have been in this House for nearly three years, I do not remember any one motion from this side which has been very gladly and readily accepted by the Government. So, Sir, I congratulate myself upon this victory just before I leave this House. If the House will allow me, Sir, I should certainly withdraw my cut in view of the assurance given by the Honourable the Leader of the House that the substance of the debate together with the fact that the Government of India are in entire agreement would be communicated to the Secretary of State and that he would be requested to expedite the Reforms as much as possible.

There is, however, only one thing with which I am not quite satisfied, and that is my friend, the Honourable the Leader of the House, is not able to tell us whether they have come to any decision at all regarding elections. It is all very well to say that you cannot say anything, but look to the trouble we are in. Surely, my friends opposite can tell us something more definite than this oracular pronouncement. This is not satisfactory.

The Honourable Sir Brojendra Mitter: Sir, I am authorised to say this, that as soon as the Governor General has got a clear idea of the time table in London, he will lose no time in announcing his decision to this House as regards the date of the general elections.

Raja Bahadur G. Krishnamachariar: Thank you, Sir. I suppose the announcement will take place some time in October, and not before that. Anyway, in view of the assurance given by the Honourable the Leader of the House, I would ask for leave to withdraw my cut motion.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The whole of tomorrow will be devoted to the motion of the European Group to raise the question of planned economy. Members who are unattached have not come to any agreement among themselves, and, therefore, . . .

Mr. N. M. Joshi: May I say one word, Sir, about the unattached Members? These are unattached, because we cannot agree among ourselves. I would, therefore, request you to give us one day, and then we shall certainly agree among ourselves as to how to divide it.

Mr. President (The Honourable Sir Shanmukham Chetty): The unattached Members appear to be too detached for this purpose. So beginning from the day after tomorrow, the motions as they appear in the order paper will be taken up.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 8th March, 1934.

LEGISLATIVE ASSEMBLY.

Thursday, 8th March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Council of State:

"I am directed to inform you that the Council of State has, at its meeting held on the 7th March, 1934, agreed without any amendments to the Bill to regulate the use of the words 'Khaddar' and 'Khadi' when applied as a trade description of woven materials, which was passed by the Legislative Assembly at its meeting held on the 8th February, 1934."

(Applause.)

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

Second Stage—contd.

DEMAND No. 28—EXECUTIVE COUNCIL—*contd.*

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of demand No. 28*, and the European Group will initiate a discussion under cut motion No. 173 standing in the name of Mr. James. As the whole of today is available for the discussion of this motion, the Chair proposes to allow half an hour for the Mover and twenty minutes each for other speakers.

Planned Economy.

Mr. F. E. James (Madras: European): Sir, I beg to move:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

The purpose of this motion is given in the words† which are contained within brackets in the formal notice.

Sir, the Finance Member in his speech introducing the Budget devoted a considerable part to the economic prospects of India and a general survey of the action which the Government of India had recently taken in connection with India's financial and economic development. I

*"That a sum not exceeding Rs. 73,000 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, 1935, in respect of 'Executive Council'."

†(To draw attention to the necessity of meeting the need for economic planning by means of (a) redistribution of Government portfolios, (b) consideration and consolidation of the tariff, (c) formation of an Economic Advisory Council, and (d) revision of Trade Agreements.)

[Mr. F. E. James.]

may say that we acknowledge at once the part which he and his colleagues have taken in maintaining India's credit, in improving her trade prospects through the Ottawa Agreement, in embarking upon schemes of cautious, but productive capital expenditure, and in being ready to adopt any reasonable measure which is found possible to bring about a rise in prices. There is no question at all on these Benches as to the anxiety of the Government of India to do all that they possibly can in these directions and we should be certainly failing in our duty if we did not at once recognise what Government have done.

Now, Sir, the purpose of my motion is a restricted one. I want to make that clear from the beginning. It does not deal with the general question of economic planning, I do not propose to discuss the various methods which have been adopted in other countries. What we desire in this discussion is to focus attention upon what we conceive to be administrative readjustments which in our view are essential if the Government of India are to be able to meet the economic necessities of the present and the near future. We agree with the Finance Member that there is no short cut to recovery, that the way is long and difficult, and that the expedients which have been tried in other countries are not necessarily suited to this country. But we also believe that recovery will not come in these days of itself. It must be planned for and the machine of Government must be adapted so as to make the best possible use of the opportunities when they do come and so as to plan for those opportunities themselves. We are living in a new world. Just as before the War disequilibrium in the balance of power gave rise to an exaggerated political nationalism, so in modern times disequilibrium in production has given rise to exaggerated economic nationalism. We may not like it, but the facts are there. Every country is attempting to plan its own national resources and work as a single economic unit, and a nation which is not prepared to organise itself and to plan its own economy in these days is bound to go to the wall. We recognise this and we venture to make suggestions whereby adjustments in India's administrative machinery may be made which we believe will help her better to face the new conditions. There is nothing startling in our proposals at all. Some of them have been made before,—some of them have been made as long ago as 1921, and I am quite sure that many Members may feel disappointed, when I have finished, that we have not made more revolutionary changes. But such proposals as we are making have the support of many in different parts of the House and have also the support of many in the Government itself.

Before I come to the specific proposals which have been outlined in our motion, I would refer in passing to the enquiries that are now being made by two distinguished and eminent economists, Professor Bowley and Mr. Robertson. We believe these enquiries to be very important, for the basis of a planned economy surely must be accurate and intelligible statistics. The complaint about many of the Government statistics today is that they are neither accurate nor intelligible. We hope that, as a result of the visit of these two economists, an improvement in the machinery for collecting these statistics will be recommended. We also venture to express the hope that the report of these gentlemen will be published as soon as it is submitted to the Government of India, and that not only will it be published, but also considered and acted upon with-

out delay. For provision of an adequate machinery for statistics we believe to be fundamental to any administrative changes in the direction of planning, and if additional expenditure is required—and I think it is bound to be required—I am quite sure that this House will not grudge such expenditure as may be necessary.

Now, Sir, I come to our four main proposals. The first is that there should be a redistribution of portfolios in the Government of India. We believe that the present distribution of Departments is archaic, that it belongs to a time when individualism and departmentalism were rampant and when it was not economically necessary to co-ordinate activities to the extent to which it is necessary today. We believe that the actual grouping of portfolios bears little relation to the demands of modern conditions. We suggest first that there should be a Member for Commerce and Industry, the beginnings of a Board of Trade. We believe that more attention and time will have to be devoted in the near future by the Government of India to the problems of industry and I think it is quite possible, speaking personally, that with the advent of provincial autonomy the need for co-ordination of industries throughout the country will be even greater than it is today. Industry and commerce should go together and there should be one Member whose undivided time and energies are devoted to the problems which are so inter-related. Secondly, we suggest that there should be a Member in charge of Communications,—Roads, Railways, Civil Aviation, Inland Water Transport, Posts and Telegraphs. I make no apology for making this recommendation once more. It has been made before. It was made 13 years ago and I have often wondered what has stood in the way. It was made also at the Road-Rail Conference in Simla, although no definite time was put to the achievement of its purpose. Our point of view is that the formation of a co-ordinated Department of Communications is an urgent matter and we should like to know if there is any particular reason why it cannot be done and, if so, what is that reason. I am quite aware—I am not speaking now in terms of personalities—that there may be Departments so proud of their present Chiefs, and justifiably so, that they do not want to lose those Chiefs. But we suggest that they should approach the subject in the spirit of the war days, in the spirit of the song we used to sing—"We do not want to lose you, but we think you ought to go".

We also suggest that there should be a Member for Agriculture and Labour. There may be other changes that may be necessary as a result of the redistribution. It is difficult for us to make detailed recommendations, but we do believe that a redistribution along these lines will result in better planning, swifter decisions and greater co-ordination of efforts. It is possible that in the near future, if there is to be a Central Board of Education and a Central Board of Health, such as my friend, Dr. Dalal, the other day pleaded for most eloquently, it may be necessary even to contemplate an additional Member of Council. The main point is that the Government machinery should be so adapted as to meet the needs of the moment and those things are increasingly in the direction of economic and industrial adjustment.

Our second proposal has to do with tariffs, both Customs and Railway. Under this second head we desire to make four specific suggestions. The first is that the Tariff Board should become a permanent body, not dependent for its life upon the number of pending inquiries

[Mr. F. E. James.]

We suggest that its personnel should be strengthened so as to include recent commercial and industrial and customs experience among its membership. I am not uttering now one word of criticism of the existing personnel of the Tariff Board, among whom I have two personal friends, but I do feel that the personnel of that Board should include at least one person who has had recent commercial and industrial experience; and we suggest that customs experience too would be of very great assistance. In general tariff matters, not only in protective tariff matters, the Board should be the principal advisory body to Government. Its composition should be flexible, so that if necessary it should be able to undertake more than one inquiry at a time through sub-committees of its own. We contemplate that the members of that Board should, all of them, be sufficiently outstanding to be able to conduct an inquiry, each one of them on his own, with possibly co-opted members for that particular inquiry. We also suggest that its procedure, which was laid down at the time of the Fiscal Commission, should be less leisurely than it is today and that its reports should in future be published with greater rapidity by the Government of India. We also suggest that, like the Imports Advisory Committee in England, the Tariff Board as reconstituted on these lines should be given the duty of watching the interests of the industries and trades using goods on which duties are imposed. Also it should be empowered to collect compulsory information from protected industries so as to be able to watch the effects of the duties. Our general line is that the tariff should neither exploit the consumer nor shelter the inefficient. It should be adjustable, without undue delay, to meet sudden changes and to avoid severe fluctuations in imports and exports. It should be an adequate protection for industrial expansion and a potent weapon for economic bargaining. India is in for a generation of both industrial expansion and economic bargaining with other countries. Our second proposal under this head is that there should be instituted as early as possible an inquiry into the incidence of tariff rates on non-protected articles. In certain of these items, both consumption and revenue have declined, a proof of the operation of the law of diminishing returns. Some of these tariffs with their surcharges are becoming a substitute for indiscriminate protection, and we believe that an inquiry into their incidence is urgently necessary from the point of view of the consumer and from the point of view of the country's revenue. Thirdly, we want a consolidation of the Tariff Schedule. Those of you who have had to go through the various Tariff Bills will know how difficult it is to understand the relation of their provisions to the existing Schedule. It has been promised before. I believe the Finance Member's predecessor actually as a parting shot promised a complete revision. We have not got it yet and we ask for it. I think we have a right to ask for it and we believe that it is urgently required by the commercial and industrial community. The Tariff Schedule and the Indian Tariff Act are so cluttered up with amendments and adjustments owing to the surcharges and recent legislation that I was told the other day by a Government servant that even he found it difficult to follow them. Our fourth point under this head is this: We want a thorough overhaul and scientific reconstruction of the railway tariffs, particularly rates on goods traffic and also rates on passenger traffic. The present piecemeal handling is not sufficient, in our opinion, and only results in injustice and hardship and the penalising of trade and traffic.

I come now to my third main head and that is the formation of an Economic Advisory Council. I want to say immediately that we recognise the work and value of the economic sub-committee of the Executive Council; but it is really the Cabinet less two or three Members. When the Honourable the Finance Member was referring to the work of this body, I could not help remembering the famous cartoon by Low in the *Daily Express* which appeared at the time of the formation of the Advisory Council in England and when the Prime Minister had made great play over the economic sub-committee of the Cabinet. The cartoon consisted of two pictures. The first picture was a large round table with a number of elderly gentlemen at work—I am now speaking not of the Indian Cabinet, but of the English Cabinet—and it was called "The Cabinet at Work". Underneath that, there was exactly the same picture with the same gentlemen at work at the same table, less three gentlemen who were disappearing through trap doors. Under that was "The Economic Sub-Committee of the Cabinet at Work". The main caption illustrating the point of the whole cartoon was "The same old birds. The same old birds". I hope Members of the Executive Council will not think that I am irreverent when I say that although we agree that the work of this sub-committee must help enormously in co-ordination, it consists of the "same old birds", who are not in a position to consider problems before they come up for immediate solution. It is a body which is composed mainly of the officials of the Government of India; commerce, industry and agriculture are not represented there; and we believe that there should be some body, which is not faced with immediate, day to day problems, which should be set up in order to study these great economic questions which are now facing all countries in the world. Our recommendations, therefore, fall under two heads.

The first is the appointment of a small permanent staff of experts in economic matters, drawing upon academic and practical experience—and both are available in this country—which will be the thinking machine on economic questions in all their aspects, and which will be able to give expert and disinterested advice. It is possible that the Government of India by their recent measures have already started the nucleus of such an organisation, but we think that that small, permanent body is an important body which should be set up. *Secondly*, experts are all very well in their way, but when experts are divorced from practical realities, they tend to become cranks. We, therefore, suggest that there should be an Economic Advisory Council consisting not of representatives of communities or special interests, but of representatives of industry, banking, commerce, agriculture, labour, transport and the Tariff Board. The permanent staff to which I have referred would be the nucleus of the permanent staff of this body, and it is possible that the Chairman or Vice-Chairman of this Council might also be a permanent official. We are very anxious that the Council, to begin with, should not be unwieldy. We suggest its numbers should not be more than fifteen. We also suggest that we are not in a position at the moment to lay down definitely the precise lines on which this Economic Advisory Council should be organised. We believe the right form for this country will grow out of the experience of an *ad hoc* body. We do not want anything so complicated as that which was suggested in the Salter Report, but we do believe there is an urgent need, now, for some consultative body being organised as early as possible. Later on it may be necessary to have something

[Mr. F. E. James.]

more on the lines of the Imperial Council of Agricultural Research which will do for industry what that body is attempting to do for agriculture in connection with co-ordination and research; but for the moment we are content to make the less ambitious proposal in order to get something going and to provide Government with some advisory body which can help them on many of the problems which come before them. We suggest, that although this will mean an increase in expenditure, it should be well worth it and might perhaps save Government from some of those expensive policies which they have followed in the past, whereby, under huge tariffs, they have encouraged the unrestricted growth of industrial and agricultural development and then have come along later on with excise duties to knock those developments on the head.

Our final proposal is that there is a great necessity for overhauling India's commercial treaties and agreements. There is, first of all, the position which India finds herself in as a result of her negotiations with Japan, for that has given India a new status in the realm of commercial agreements. We feel that it is a status which should be exploited as early as possible and in as many directions as possible. Secondly, there is the undoubted fact that other countries are on the move. Almost every day that you take up your *Statesman*, you read of some country which is preparing to negotiate with other countries on the basis of bilateral agreements. I saw in the *Statesman* only two days ago a reference to Italy's relations with India; and even America, which hitherto has been entirely absorbed in her internal reconstruction, is turning her attention to the question of her exports and will be in the field before very long. Then there is also the fact that in the future, if international trade is going to improve at all,—and there are signs of a slow improvement in recent months—it will improve largely because of trade agreements either between two countries or between groups of countries. The improvement is not going to be haphazard. Trade is going to be largely controlled in international directions and that is why we feel that a revision of India's agreements is most essential. The fourth reason is that most of India's agreements are now archaic. I turned up, as a matter of history, the other day three agreements on the basis of which she is in relations with other important countries. I found that India's agreement with America, through His Majesty's Government, is dated 1815. India's agreement with France—and France is important country to us at this particular moment because France includes all her colonial possessions—is dated 1903. India's agreement with Italy dates from 1882. India's agreement with Holland and the Dutch East Indies is dated 1824.

Then, Sir, the Finance Member in his speech spoke of the extension of the Ottawa Agreement and said that India ought to be engaged now in a scientific study of the position, exploring new opportunities for mutual exchange. Well, Sir, we agree. But who is engaged now in that scientific exploration? Where are the agreements with Canada, New Zealand—where India is definitely discriminated against, as compared with Ceylon—with Australia, South Africa and even with Ceylon?

Again, the Finance Member suggested that the position with regard to our greatest customer, the United Kingdom, should be very carefully watched and that the time might come when India should enter into a firm trade agreement with the United Kingdom. Sir, I believe that time is rapidly approaching; and if India can witness such a courageous and

excellent agreement as that which has been recently negotiated by my Honourable friend, Mr. Mody, on behalf of the textile industry of India with the textile industry of Lancashire, surely it is possible for the two Governments to come to an agreement which will not only stabilise the present position, but give room for greater improvement in regard to our external trade. (Hear, hear.)

Now, there is one point I want to make in regard to these agreements in the future. We believe that they should be entered into as early as possible. We believe that the position of our export trade with other countries should undergo careful and close and detailed scrutiny. But in entering into new trade agreements we think two things should be avoided. One is, that those agreements should not be too hard and fast, or for too long a period. We prefer the short-term agreement, denounceable, or variable on reasonable notice. The second is that these agreements should not be hampered in future by the unrestricted favoured-nation clause—an instrument which belongs to an economic era which is now past and gone and will never recur. We shall have more to say on that subject next week in the debate on the Japanese Agreement. The general view we take is that if India is not in a position rapidly to alter the conditions on which she is willing to deal with other countries, she cannot adequately protect her trade against discrimination and against bargains injurious to her interests. India must be in a position to make fair offers for fair opportunities: if not, her trade will be, and deserves to be, superseded by other more adaptable countries. (Hear, hear.) I am quite aware that this means an increase of staff in the Commerce Department, but there is need in that Department for the nucleus of an Overseas Branch under an efficient Officer. The Overseas work will, in the near future, become very important indeed. At present that work is left to a Department which is already overburdened whose output is a standing miracle to those of us who know something about it.

Sir, there is one other point I would like to touch on before I close this particular part of my speech (and I am very nearly at a close),—and that is, certain agreements and treaties with Indian States. We have a feeling that in some of these matters we are in danger of drift and sentimentalism. There are two kinds of agreements. There is the commercial agreement like that with the Darbars of Travancore and Cochin affecting the Cochin harbour which are susceptible to adjustment on a commercial basis agreeable to both parties. We believe that such adjustments ought to be made as quickly as possible and should not be indefinitely delayed. At the present moment, a great deal of money has been sunk into the Cochin harbour and activities and policies are now being held up because of the urgent need for the revision of a certain agreement. I will not say more except that I hope that some arrangement will be made, as early as possible for a revision of that agreement through conference. Then, there is the second type of agreement which is much more difficult. There is the kind of agreement which deals with customs arrangements which affect not only treaty rights but what is called State sovereignty. Even here, in the words of the Indian States Inquiry Committee, "ideals and logic must yield to hard facts". I think it is pertinent to say that the Indian States should be reminded that throughout the world, by treaty and by agreement, sovereign countries are prepared in the face of economic necessity to shed some of their sovereignty. A narrow interpretation of the term sovereignty will hold up any form of

[Mr. F. E. James.]

economic or political progress. And, as far as the Government of India which is represented in this House is concerned, we should like to ask them to remember that that Government represent British India and we expect them to do their duty promptly and unequivocally to the Provinces represented in this Assembly. I will not say more than that. There may be others who will be able to develop the lines along which I am thinking and which I have indicated in my speech.

These are the four main lines on which we have made tentative and general suggestions. We believe that if some of these, at any rate, are carried out, they will put the machine in a more adaptable condition to meet the stress and strain of economic events in today's world and in the world of the near future. We do not suggest that any of these suggestions, if adopted, will prove to be a miracle. We do not necessarily say that we have not made mistakes in some of our recommendations. We do not say that we have covered all the technical details which make perhaps some of these things difficult. But we do ask that these suggestions of ours be accepted by the Government in a constructive spirit and we do ask them to believe us when we say that we are in earnest about these matters and desire some indication from the Government either as a whole or through various Departments that they are prepared to give serious consideration immediately to our suggestions. I should like to address the other side of the House for a moment and ask Honourable Members to believe us when we say that, in making these proposals, we are not acting in the interests of any community or of any particular class. We believe we are acting in the interests of India as a whole. All along in our discussions in our Group we have considered the whole question of India's future and what is best for India. My friend, Mr. Gaya Prasad Singh, the other day referred to Mr. Ranga Iyer as being in somewhat questionable surroundings. I know that that was a joke. But I do hope the House will not waste time in suggesting that these proposals are meant to benefit any class or community or any special interest. We have one idea and that is to serve the country in which we live. We yield to none in our desire to see India economically and politically a giant among the nations of the world, and, to that end, we are prepared to pledge ourselves to her weal. (Applause.)

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, first of all I wish to thank the Members of the European Group for initiating such an important debate and I should also associate the name of Mr. James for bringing out very important points which we on this side of the House have been pressing for the last many years. Sir, I agree with Mr. James in not introducing into the discussion the effect of the change of the financial policy in the solution of the economic problems for two reasons. In the first place, he himself has avoided it, and, in the second place, we will not be walking on a safe ground until the effects of the American policy and of the Japanese policy become visible to us. I take this opportunity to thank the Honourable the Finance Member for initiating this Economic Inquiry. It has already

been received with great enthusiasm, not only by the commercial community, but also by the academic people, because they see in it a good scope for researches and inquiry in the near future. I think his name will always be associated with this particular branch of the inquiry along with the Reserve Bank which he so successfully piloted in this House. I am sure the economic enquiry will lead to some powerful development on the lines suggested by Mr. James. I regret that I am not in a position to endorse his detailed programme of the Economic Inquiry Committee, because I believe that we should wait for at least a year, and examine the results of the inquiries of Professor Rowley and Dr. Robertson. After their results are known, we will be in a better position to make up our mind as to what kind of Economic Inquiry Committee is needed. For the present, however, I am not in a position to give a definite opinion on the detailed programme which Mr. James has sketched out for this Inquiry Committee.

Now, coming to the reorganisation of the portfolios in the Government of India, I have repeatedly pointed out that we have a kind of cross division. The Honourable the Commerce Member told us on the floor of the House that we should have the co-ordination of the different means of communications, rail and road. From this side of the House we asked him: Why don't you begin this thing yourself first? Why do you not have a co-ordination in the general administration of the Government of India before you ask the public and the Legislature to give their blessings to your proposal? Whatever thing you consider to be important, carry it out at first yourself and then you will be in a position to demand that there should be a co-ordination in the country. It is really the practice of every country in the world besides India that all these means of communications are united together under one organisation, which may be called either the Board of Communication or the Ministry of Transport.

I support very strongly the suggestion made by Mr. James that Industry and Commerce should be united together. We have seen on the floor of the House the results of the Tariff Bill which we discussed and ultimately passed. I raised the question whether that Bill introduced by the Honourable the Commerce Member was intended for the improvement of commerce or the reverse or was it intended for the benefit of the industries. If so, surely it was the duty of the Honourable Member for Industries to bring forward that legislation, and not the duty of the Commerce Department. These two things cannot be separated, they are separated only in the vision of the Government of India, but nobody outside will ever think of dividing them into two. Mr. James has already given the example of the Board of Trade which is a good example to follow. Side by side there is another Department which requires consideration, and that is the Department of Education, Health and Lands, but I call it a residuary Department, because anything which cannot be put in any other Department is shoved into this Department. I can give the example of the Ecclesiastical Branch, which at one time came within the purview of this Department. Similarly, there are many other Departments which are neither Health nor Education nor Lands. The point that I want to draw the attention of the House to is agriculture. India is primarily an agricultural country and it is of the utmost importance for the future prosperity of this country that we should have a special Department of Agriculture. My Honourable friend may say that agriculture is a transferred subject, but there are a number of problems which the Provinces cannot solve, but only the Government of India can.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): There is the Imperial Council of Agriculture.

Dr. Ziauddin Ahmad: Yes, I know. I shall refer to it presently. Questions like rent and land revenue might be left to the Provinces, but there are certain problems which cannot be solved by anybody except the Government of India. My Honourable friend referred to the Imperial Council of Agricultural Research, but we all know that the Government of India are not responsible for the working of this Department. They have only created a separate organisation and we vote the money and this ends our power. The Government of India are not responsible for the action taken by the Council of Agricultural Research.

Sir Muhammad Yakub: No, the Government are responsible for Sir T. Vijayaraghavachariar's Department.

Dr. Ziauddin Ahmad: The Government of India have only created the body of Agricultural Research and vote money, but the whole policy is regulated by the Council of Agricultural Research and not by the Government of India.

There are two other points to which I wish to refer. We have been demanding on the floor of the House day after day that the prices of agricultural products ought to be raised. The Honourable the Commerce Member took certain steps which resulted in raising the price level of manufactured articles, but nobody in the Government of India recognises it to be his duty to take measures for raising the price level of agricultural products. My Honourable friends, Sir Frank Noyce and Mr. Bajpai, may toss between themselves as to who should initiate legislation in this matter but if anything is the business of more than one person, really it is business of none. If there had been a special portfolio of Agricultural Department, then something would have been done.

Another point which would be attended to, had there been a special Agricultural Department, is the question of agricultural labourers. We have been discussing a number of problems about industrial labour, but nothing has been done for improving the general condition of agricultural labourers. My Honourable friend, Mr. Joshi, always sheds tears on the condition of the industrial labourers, but I have not seen him shedding tears on any occasion over the poverty of agricultural labourers. I believe the condition of agricultural labourers can be improved only if we have got a special Department to look after their interests. We had a number of legislations on industrial labourers, we had really more than the circumstances demand, and, I believe, that we had them, because the Department of Industries had nothing better to do. I wish they had spread out their Bills and their recommendations over a larger number of years instead of concentrating them so rapidly.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Did I understand my Honourable friend to say that the Industries Department had nothing better to do?

Dr. Ziauddin Ahmad: Better is a comparative term. Coming to the main topic, I think it is very important that we should have a special Department of Agriculture to look after the agricultural interests of this country.

Another problem which has also been referred to by Mr. James is the question of Education. Education, no doubt, is a transferred subject, but in the Provinces it is impossible to do anything very definite

unless the Government of India initiate in the matter. Educational problems cannot be solved by Provinces alone unless it is done on an all-India basis. In this connection I deplore the lame excuse of financial stringency when we asked for the establishment of an Advisory Board. I do not like to waste my time in discussing this question in detail, but I hope I shall have an opportunity later on to discuss this subject. But, I should only say now that if you split this Department of Education, Health and Lands into two separate Departments, then the educational problems and the agricultural problems would receive greater attention.

My Honourable friend, Mr. James, also referred to the important question of Freights and Rates. It is a very important question, which no Government would ever hand over to the railway administration alone. We have been pressing the question time after time that it requires a thorough revision. We have prescribed maximum and minimum limits, but as my Honourable friend, Mr. Mudaliar, pointed out the other day, the limits are so wide that even two or three elephants can pass through those limits. This question has to be carefully considered.

Another question is the organisation of the Railway Board. When the Railway Board was organised, at first it did very well, because, in those days, much of the administration of the railways were carried on by companies and the work of the Railway Board was confined to co-ordination and looking after the interests of the tax-payer. But now four important companies have been transferred to the Government and the Railway Board is responsible to carry on the direct administration of these railways, but they have not devised a suitable machinery yet. In the near future, two more important lines will come under the direct administration of the Railway Board and the problem will become more complicated. I am afraid the whole system will break down if effective steps are not taken to reorganise the whole Board.

The next point raised by Mr. James was the theory of taxation. The principles that have been adopted in taxation are the most unscientific, and the climax was reached when, in 1932, it was proposed that all the Customs duty should be raised by 25 per cent irrespective of the fact whether the law of diminishing returns would or would not apply and irrespective of the fact whether they were protective duties or revenue duties. It is desirable that we should study this particular topic carefully, and find out what are the commodities which can stand the increased taxation so that the law of diminishing returns may not apply. We know that the Finance Department cannot solve this particular problem unless they have got at their disposal more statistics and more data, prepared by a committee of the type whose beginning has already been laid down and which I hope will develop in the near future. This is a point which we ought to consider. My own opinion is that, instead of taxing a large number of commodities, it will be better if you take up a few commodities and raise the entire revenue that we require for the administration of the country. Coming to protective duties, the whole world has accepted that principle and our country also has accepted it, though I am sorry that we have to be mad in order to follow other countries which have gone mad, because I do not believe in this policy of protection, but, in the present state of affairs, I regret it is unavoidable. But this protection duty ought to be levied on the advice of the Tariff Board. I entirely agree with my Honourable friend, Mr. James, when he outlined the duties of the Tariff Board which must consist of very experienced men. It should also be laid down definitely

[Dr. Ziauddin Ahmad.]

that Members, after retirement from the Tariff Board, should not be eligible to become Directors or Managing Agents of any of the industries directly or indirectly connected with the industries of their enquiries. The work of the Tariff Board should not be finished with their report, but they should continue to function. They ought to study the effect of these protections year after year and they must periodically present a report to the Assembly, so that we may be able to judge whether the protection is really used for the benefit of the people and that it is not used exclusively for the benefit of the capitalists. Therefore, simply to pass a law and to change the Tariff Act is not sufficient and the duty of the Tariff Board does not finish with their report, but their duty becomes more important,—when these tariff duties are levied,—in watching the effect of their recommendations and examining whether their hopes are materialised.

There is another point, and it is the question of what is called racial discrimination. I wish that we should boldly come forward and solve this question instead of attempting to solve it by the backdoor and by an indirect method. We should recognise our relations with the United Kingdom and we should say definitely that the Britishers, when they are in India, should enjoy all the privileges of Indians, whether they come for a short or a long period, and *vice versa*, that is, Indians who are residing in the United Kingdom should enjoy the privileges of the Britishers. And, therefore, any action which may be taken by them in this country in the way of starting commercial concerns should not be classified as a foreign venture, but should be recognised as an Indian venture so long as they remain in this country and so long as their companies are registered in India.

The last thing which I will mention is the question about the collection of Customs duty. I do not, of course, want to go into the details of our treaties with Indian States. I think we should respect all our treaties; but, from this, it does not follow that we may not have a good principle for the collection of taxation. I think all Customs duties, whether in British India or in the Indian States, should be collected by the Central Government and the shares, whatever they may be, may be handed over to the various Governments. And if such action is taken, the charge which Mr. Mody made some time ago will probably be avoided. I cannot substantiate that charge myself, but I also heard the same thing from different sources both in British India and in Kathiawar. Since it has been so much publicly talked about, it is desirable that we should come forward and suggest that the collection of the tax should be made by the Central Government and the shares of the tax should be distributed among the various States according to the terms of the treaties.

Mr. N. M. Joshi (Nominated Non-Official): Sir, when I moved my Resolution about unemployment and reduction of wages, I pointed out the necessity of the Government of India following a pre-determined economic plan for the development of industries and commerce in this country. I also referred in my speech on the Budget to the remarks made by the Honourable the Finance Member resenting what he was pleased to call an accusation that the Government of India were drifting. I shall not deal with that question at length, but I would suggest to the Government of India that if they are sure that they have a plan for the industrial and economic development of this country, in order that it should be easier for us to believe that they have a plan, they should publish their plan for the benefit of the public in this country.

I am glad that the necessity for a plan has been admitted by the Government of India, and it is, therefore, not necessary for me to dwell on that question at length. We all know that the economic machinery in the whole world has become very complex on account of various factors. In the first place, the rivalry in currency and tariffs going on throughout the world has tremendously increased. The industries in the world are rationalising with the result that production is increasing. The question, again, is complicated by war debts which are weighing heavily on many countries in Europe. In addition to these causes which have made the economic machinery of the world very complex, steps are being taken by various countries individually which are compelling the other countries to follow suit. Under these circumstances, it is impossible that one country can recover its economic prosperity by following methods which at best I may call haphazard. I quoted, when I spoke on the question of unemployment, the dictum of Sir Arthur Salter that the economic mechanism of this world has lost its quality of self-adjustment. My Honourable friend, Mr. James, has suggested a few things which would be included in the economic plan which he places before this House. I am sure he will not consider that I am spoiling the discussion on his motion if I deal with those questions and add a few more points to those which he has mentioned. In any industrial plan production must find an important place, and it is, therefore, right that we should give the first place to the development of industries. But at the same time it is necessary for us to consider that if we go on developing industries and increasing production in all possible methods as the world has been doing and if we do not take steps to see that the goods which the world is producing will be consumed, mere production will not do good to any country. I, therefore, feel that the question of the distribution of national wealth and of national income is as important as the question of production of wealth. I need not go into details as to how the wealth should be distributed, but I shall state this that when we look to the distribution of the wealth in the world and realise that 9/10th of the world's wealth are concentrated in the hands of 1/10th of the people, we must certainly see that the present distribution of wealth is not equitable. As I said, I am not going to deal with the question as to how that wealth should be equitably distributed. At the same time, it is absolutely necessary that we should, when we think of an economic plan, see that the plan is a good plan. So far as the necessity for a plan goes, I am entirely at one with my friend, Mr. James; but I am afraid, when we shall go into the details of a plan, the time for the parting of the ways may come. But that parting of the ways has not come today; therefore, let us all agree that there should be a plan. I may even state this: that I shall prefer even a bad plan to no plan at all.

As regards the essence of a good plan, may I say this that in any plan which we may make it will be a mistake on our part to
 12 Noon. take various factors separately and never consider them all together. We may develop industries, but when we are developing industries it is necessary at the same time for us to see how those industries are to be developed and that, while developing one industry, we are not really helping one industry at the cost of other industries. We must also consider at the same time how the goods will be consumed. I, therefore, feel that any plan, if it is to serve its purpose, must take all the factors into consideration simultaneously. When I sometimes say that the Government of India are drifting, I do not suggest that the Government of

[Mr. N. M. Joshi.]

India have done nothing: I agree with my friend, Mr. James, that the Government of India are doing always something, but at the same time I feel, and I am sure the House will agree with me, that the opportunities of considering the whole problem are very few indeed. If the Government of India are doing it, we do not know: they do not take the public into their confidence on that matter.

Then, in any plan which is to be a useful plan, it must be a plan for the whole country. I am glad, therefore, that my Honourable friend, Mr. James, referred to the position of Indian States. In any plan for developing our country, it is necessary that we should be able to bring the Indian States into the consideration of those questions. In this connection I must draw the attention of the Government of India to the fact that labour legislation in India will be hampered—and I am afraid it is already being hampered—by the fact that that legislation does not apply to Indian States, and I would like to draw the attention of the Government of India to the suggestion made by the Royal Commission on Indian Labour that they should start an Industrial Council in which not only the interests concerned, namely, the Government, employers and labour, should be represented, but steps should be taken for the representation of Indian States on that Council.

If the plan is to be a good plan, I would also suggest that that plan must not deal with only what are called industrial economic questions, but it must also deal with what I may call social questions. No plan for the development of the economic position of a country can be adequate if it omits the question of wages, unemployment and other kinds of social insurance and labour legislation, such as for the regulation of the hours of work. I, therefore, hope that, when we consider the question of an economic plan, we shall not omit to consider the questions which affect those people who produce the wealth of this country.

I shall say one word more in order that the plan which we may make should be a good and satisfactory plan, and that point is that no plan which we may make nationally without regard to the plans of other countries in the world will be a satisfactory plan. The idea that we may make our country entirely self-sufficient is not likely to be materialised. It is, therefore, necessary that we should, when thinking of a plan, take into consideration the plans of other parts of the world. I would, therefore, suggest to the Government of India that, in considering economic questions especially those questions in which competition plays a very important part, they should always be ready to co-operate with the other countries in the world. I am not suggesting that the Government of India have not co-operated at all. At the same time I would suggest that, in considering the Conventions of the International Labour Conference, the Government of India should bear in mind the necessity of falling in line with the situation in the world. I hope that the Government of India will not think that I am bringing an unjustifiable accusation against them when I say that recently a tendency has appeared to treat the Conventions of the International Labour Conference with a sort of indifference. I, therefore, hope that when we are thinking of a plan for our country, we shall always be ready to co-operate with what the world is doing.

My Honourable friend, Mr. James, referred to certain agreements which we have made and also pointed out the necessity of revising those agreements. My feeling as regards trade agreements is that trade agreements

between two countries should be made as a last resort. On the whole it will be a much better plan if there is an agreement between all countries simultaneously by international action

Mr. G. Morgan (Bengal: European): Not likely!

Mr. N. M. Joshi: If that is not likely, certainly we shall have to make bilateral agreements; but my point is that if we try to make agreements with one country after another, it is quite possible and I feel it is quite probable that we shall find that there is a limit to the agreements that we can make. Bilateral agreements are bound to cut across each other. I, therefore, feel that on the whole instead of trying to make agreements with other countries, one after another, it will be a better plan to make agreements internationally. In this connection, Mr. President, may I say one word with regard to agreements with other countries in Asia as regards labour matters? I said just now that we should pay greater respect to the International Conventions passed by the International Labour Organizations. I quite realise that there may be some difficulties in immediately accepting all the Conventions which have been passed by the International Labour Conference, but it is quite possible that if we try to come to an agreement with countries in Asia, an agreement of that kind will be easier and also more useful under the present circumstances. I would, therefore, like the Government of India to give some attention to the proposals made that there should be an Asiatic Labour Conference in order that there should be an agreement on labour conditions between the Asiatic countries.

Mr. President, I do not wish to deal with the questions that should be included into the plan any further. I would only say one word about the machinery which has been proposed for making a plan in this country. I agree with the suggestion of my friend, Mr. James, that there should be a re-distribution of portfolios, but I do not entirely agree with him when he says that the portfolios of agriculture and labour should be combined. I feel that labour matters are sufficiently important to have a separate portfolio. I am sorry I was not here when my friend, Dr. Ziauddin Ahmad, said that we pay greater attention to the question of industrial labour in this country

Some Honourable Members: You do.

Mr. N. M. Joshi: I do. Mr. President, I plead guilty to that charge, but, at the same time, my friend, Dr. Ziauddin Ahmad, should remember that it is not very easy for one man to deal with all the questions, and, secondly, even if I am willing to tackle them and if I have the capacity to do so, it will not be within the competence of a Member in this Legislature to bring forward matters regarding the condition of agricultural labour. I feel labour legislation should receive not less but greater attention from the Government of India, not only in the interest of labour, but because labour forms one of the integral parts of the economic machinery of the country. I, therefore, feel that in the Government of India there should be a separate Minister to deal with Labour.

I agree also with the suggestion of my friend, Mr. James, that we should have an Economic Council, and that Council should not only be an expert Council, but it should also be a representative Council. I feel that if we establish a really representative Council, not only shall we be

[Mr. N. M. Joshi.]

able to evolve a good plan, but it will be a great help to the executive Government and to the Legislature as well. After all, neither the executive Government nor the Legislature can include within them all the talent that is available in the country. It is, therefore, necessary that to deal with certain questions requiring special knowledge there should be a special organization. I, therefore, feel that instead of waiting for the new Constitution to come into existence, the Government of India should take immediate steps for the establishment of an Economic Council

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude now.

Mr. N. M. Joshi: Mr. President, I assure you I am not going to be very long on this question

Mr. President (The Honourable Sir Shanmukham Chetty): I said the Honourable Member must conclude now.

Mr. N. M. Joshi: All right, Sir. I shall say only one word. The Honourable the Finance Member the other day tried to frighten the Members of the Legislature saying that if you want a plan, there will be an increase of Government control. I feel, Mr. President, that the Members of the Legislature need not be frightened by the increased Government control if we resort to an economic plan in this country. There is already Government control over several matters, and the world is tending, and I feel that the Government of India are also tending, towards the increase of Government control over economic matters. How are the Government of India going to give effect to the trade agreement with Japan unless they have some control over the commerce of this country, and, if you go on making agreements with other countries, it will be absolutely necessary for you to increase the control of the State over the commerce and industries of this country. I, therefore, feel that the Members of the Legislature should not be frightened by the fact that the control of Government will be increased. I shall go even further, Mr. President, and say that we should not even be frightened of the International control over the industry and commerce of the world. Unless the countries in the world agree to part with some sovereignty in favour of an international organization, the world is not going to see peace and prosperity. Mr. President, I have done.

Mr. G. S. Hardy (Government of India: Nominated Official): Sir, I rise at this early stage of the debate to say a few words on the second point to which attention is drawn on this motion, namely, the consideration and consolidation of the Customs Tariff. Mark Antony is reported to have said that he came to bury Cæsar, not to praise him. I, Sir, have come here not to bury the tariff, but neither have I come here to praise it. Its blemishes are too patent to be denied, and I fully admit all that Mr. James has said about it. In fact, he might have said a great deal more; he might have told us that in addition to all our other different sorts of duties, we have no less than 21 entirely different rates of *ad valorem* duty in our Tariff, and nine of them lie in the narrow range between ten and 25 per cent. Sir, I admit all these defects. Our Tariff

Act is a very forbidding document, and I should like to explain very briefly to the House how it is and why it is that it has reached this condition . . .

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Will the Honourable Member kindly speak up? We cannot hear him at this end.

Mr. G. S. Hardy: Fifty years ago, India had virtually no tariff. It is true that there were a few small imposts on spirits, arms and the like, but the Government of India were in the fortunate position of not having to rely on general rates of duty in order to pay their way. The present tariff may be said to have been borne, almost exactly forty years ago, in March, 1894, when a general rate of duty of five per cent *ad valorem* was imposed on all imported articles with a few exceptions. When I first made the acquaintance of the tariff, it was a flourishing youngster of about 20 years old. It still retained its youthful childlike simplicity and most of its original features, and during the past 20 years, Sir, during which time it has been my almost constant companion, I have watched its development with growing concern. I have seen it reach middle age. It has become gross and corpulent, and its original features have been distorted out of all recognition. For, Sir, somewhere about the year 1917 it became infected with a chronic disease,—the result of insufficient nutriment in the Exchequer of the Government of India no doubt, a disease the symptoms of which are continual eruptions of the type known as "subsequent amendments".

Now, Sir, in these circumstances, the tariff has become a very unwieldy affair, and this is necessarily the case. You cannot raise your rates of duty without complicating your tariff. So long as your general rate is only five per cent., questions of diminishing returns do not arise, but if as we have done, you raise it to 7½ per cent., then to 11, and later to 15, 20 and 25 per cent. *ad valorem*, at each of these stages it becomes necessary to consider the question of diminishing returns and to make exceptions. Also we had to select particular items of luxury for particularly high rates of duty. Then, Sir, we had the adoption by the Government of India in 1923 of a policy of discriminating protection. This meant further exceptions to the general rate of duty, some of them being increased rates of duty on manufactured articles, and others, decreased rates of duty on the raw materials of industry. Since then we have had the Ottawa Pact, and more recently still, certain safeguarding duties. Every one of these changes has made a fresh complication in the tariff, a complication which has made it more difficult to administer, more difficult for the importer to understand. Those are all defects of substance, but Mr. James also referred, more pointedly I think, to defects in manner of presentation of the tariff. He referred to the fact that, in order to appreciate a tariff Bill in this House properly, it is necessary to refer to no less than three different Acts. Well, Sir, the Finance Member in his Budget speech has already given an undertaking that that matter is to be put right at a very early opportunity. But Honourable Members of this House are also probably aware that the form in which the tariff is placed on sale to the general public is different from the form in which it appears in the Schedules to the Tariff Act. I do not propose to go into the history of this curious anomaly—it is very ancient history—but we do hope to take this opportunity of removing that anomaly, and when we consolidate the tariff, so that the House has before it a single schedule which has not

[Mr. G. S. Hardy.]

been "subsequently amended", it will have before it the same schedule which the public and the commercial public in particular can buy, and we shall no longer have the confusion that we have at present between two entirely different sets of serial numbers. (Hear, hear.) Now, Sir, the exact form in which we shall consolidate the tariff has not yet been finally decided. Whether we shall stick to the present Statutory form or adopt the form in which it is now sold to the public has not yet been settled. But I ask the House to remember that we have to deal with yet a third classification of articles, which is to be found in our trade returns. It may very well be said, why should we not have a single classification for all purposes? The difficulty is this. The principal value of trade statistics is not so much the actual figures of quantity and value which they display, as the comparisons they afford over a series of years. Now, if we had changed the classification in our trade statistics every time we have amended the tariff in the last 20 years, if in fact we had subjected these statistics to the same sort of eruptions to which the tariff has been subjected, I venture to think that those statistics would have been almost unintelligible and very nearly useless. Nevertheless, we do feel that something can be done in the direction of uniformity between the two classifications, and we are considering for this purpose a suggestion which has come from the League of Nations that there should be a standard grouping of commodities which should be adopted, if possible or as far as possible, by all the different nations in their tariff and in their trade statistics in order to make them intelligible to everybody. That is one point that we have in view.

There is another aspect of this question which is of importance in connection with something else that my Honourable friend, Mr. James, said. He said, it was essential that the Government of India should watch very carefully the incidence of their duties, by which I take it he means their effect on the trades concerned and the possibility of our losing revenue under the operation of the law of diminishing returns. I should like to give the House an example of our difficulties in this matter. We have recently, as the House is aware, put specially high rates of duty on cups and saucers, and I have actually issued instructions to have a special record maintained of the duties we collect on cups and saucers among other articles. If, at the end of six months, any Member of this House likes to ask me what duty we have collected since the Act was passed, I should be in a position to give him the figure, but if he asked me whether we have collected more duty than we were collecting last year, I should not be able to tell him, because last year cups and saucers were included with plates, dishes and other articles under earthenware and porcelain. That is a difficulty which we always have when new duties are imposed. In the majority of cases we can ascertain what the actual revenue collected from the new duty is, but we cannot compare that with what was collected in the past unless we happen merely to change the rate of duty on an article that was already specially separately specified. I mention that as exemplifying our difficulty when Mr. James asks us to watch very carefully the effect of new duties. We do watch their effects as far as we are able, but that is one of the principal difficulties with which we are faced. We do hope to minimise it to some extent when we can get some sort of uniformity between our tariff and trade classifications.

There is only one other point which I wish to mention, and that is with regard to what Mr. James said about the Tariff Board, the additional

duties he wishes to put on it, and the work of the Advisory Council which he contemplates. It would be outside my province to express any opinion in this House on the question who the Government of India should consult in respect of tariff matters, but I do want to say this, that if any body is set up outside the Government of India itself for this purpose, it will have to depend for the great bulk of its material upon the Custom Houses and it will need a great deal of careful examination to evolve a machinery by which that material can be put before an independent body without dislocating the primary work of the customs staff, namely, the collection of revenue. I have no doubt that that machinery can be evolved, but it may take some little time and possibly result in delay, even if the Government of India should accept Mr. James' proposal. I merely wish to mention this as one of the difficulties that have to be faced.

If I may summarise what I have to say, we are fully alive to the defects of the tariff both in matters of substance and in the manner of its presentation. We are doing what we can in respect of the substance of the tariff, that is very largely a matter of policy with which the Central Board of Revenue is not in a position to deal. But we are very definitely doing our best as regards the presentation of the tariff and we do hope that in a very short time it will be possible to put before the House and the public a consolidated tariff which will be reasonably intelligible. (Applause.)

Mr. H. P. Mody (Bombay Millowners Association: Indian Commerce): Mr. President, the European Group through Mr. James have put forward for consideration a subject of first class importance. I should like to congratulate them upon it and also my Honourable friend, Mr. James, upon delivering a very lucid and thought-provoking speech in support of the token cut. We are on the eve of momentous changes in the political, social and economic sphere. Whether the Constitution with which India is going to be endowed in the near future is satisfactory or otherwise, there are immense changes taking place in the mentality and outlook of the people, which require an adequate machinery for giving expression to. The social habits of centuries are being uprooted; the old economic outlook is giving place to the new, and in one way or another this country is undergoing a metamorphosis of very great importance and interest, not only to India herself, but to the rest of the world. The question arises whether the machinery of Government is adequate for the purpose of giving direction to those forces which are being released.

One of the peculiar characteristics of Indian conditions is that we rely more than in any other civilised country upon the Government for help in various directions. It is very natural that a people who have been living under some sort of domination or another throughout almost the whole of their history should come to depend in a large measure, not on self-help, but upon the help which a *ma bap* Government can administer in every sphere of national activity. Therefore, it becomes a very important question to consider whether the prime movers which supply the motive power are adequate for the purpose. Speaking from some experience during the last three or four years of the work which is being done by my Honourable friends on the front Treasury Benches, I would say that they are very grossly over worked, and constituted as they are, they are unable to give that momentum to all the forces of regeneration. Sir, if I had anything to do with the Society for the Prevention of Cruelty to Animals, then

[Mr. H. P. Mody.]

taking the view that we all belong to the animal kingdom, the first object of my solicitude would be the Members of the Executive Council! I am afraid the distribution of the portfolios is not only very antiquated, as suggested by my friend, Mr. James, but is almost comic. I remember a year or two ago my Honourable friend, Sir Leslie Hudson, in a fit of post-prandial facetiousness, saying of a very respected Member of the Government that his expanding portfolio covered a multitude of sins. I think that description would apply more aptly to other portfolios than the one which the Member referred to carries.

Let us start first with the portfolio of Industries and Labour. Now, for the last four years, my friend, Mr. Joshi, and I have been fighting for the possession of the body of my friend, Sir Frank Noyce. Sometimes he gets away with a bit, sometimes I manage to. My Honourable friend is being continually pulled.

The Honourable Sir Frank Noyce: There is still a good deal of it left. (Laughter.)

Mr. H. P. Mody: That is so obviously patent that I do not think that the interruption was really necessary. (Laughter.) All that I was saying was, with Mr. Joshi pulling him in one direction and I pulling him in another direction, the lot of my Honourable friend, Sir Frank Noyce, has been very hapless. He has often to do a bit of tight rope walking, or, if I may put it in a more homely way, he has to strike an exact balance between the claims of Industry and the claims of Labour. I would like to say here that my Honourable friend has, with the utmost care and with the most scrupulous fairness, held the balance even, as even my friend, Mr. Joshi, must readily acknowledge. It is altogether wrong, however, to put in the hands of one Honourable Member a portfolio which includes such conflicting subjects as industries and labour. In the same way, my Honourable friend, Sir Joseph Bhore, carries the burden not only of the clamant Commerce Department, but also of the Railways. Now, enormous developments are taking place in railways and railway policy

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): And also the Ecclesiastical Department. (Laughter.)

Mr. H. P. Mody: I am very glad to hear it, but I would like to inquire what special qualifications my friend possesses for carrying that portfolio. I hope he is adequately discharging his duties in that connection.

Mr. F. E. James: May I ask the Honourable Member why that Department has been transferred from the Member for Agriculture?

The Honourable Sir Joseph Bhore: I would ask the Honourable Member to ask me another.

Mr. H. P. Mody: What I was saying was that it is obviously impossible for my Honourable friend, the Commerce Member, having responsibility which more than fills his hands, also to be in charge of one of the most important Departments in India. Then, take the portfolio of Education, Health and Lands. I do not know what possible connection there is between Education and Lands or between Health and Lands.

An Honourable Member: You want a healthy body in a healthy mind.

Mr. H. P. Mody: I know of unhealthy minds in a healthy body and *vice versa*, and if I was tempted, I might point to a few striking examples in this very House. (Laughter.) What I was about to say was that my Honourable friend, Dr. Ziauddin Ahmad (Laughter) I said, Sir, that the House is connecting what I said with my Honourable friend, that was not what I intended. I was referring to my Honourable friend, Dr. Ziauddin, because he stated, and very rightly, that the portfolio of Education, Health and Lands was a cumbrous one, and that a great many things were passed on to the Member in charge, which the other Departments were either unwilling to handle, or which had not been definitely allotted to them. He suggested that the Department was a sort of capacious waste paper basket into which everything, that the other Government Members did not want, went. Anyway, all these Departments require thorough recasting.

Now, my Honourable friend, Mr. James, has stated that for 13 years this question has been on the tapis, and that no decision has been taken. I doubt, Sir, if the present temperament prevails, whether Government will tackle it within the next 13 years. It is altogether wrong to hang up every sort of reform, because India is going to be blessed with a new Constitution in the near future. I do not know when that Constitution will get going. Some of us will have grown a great deal greyer before we see it functioning (Hear, hear), and I would like to endorse the strong plea made by my Honourable friend, Mr. James, that, without any further delay, the re-organization of the various portfolios ought to be taken in hand. I would like to go even further. I envisage a time in the very near future when you will have to go a great deal beyond the very modest recommendations made by my Honourable friend. You will have to set up all sorts of Ministries—a Ministry of Transport, Ministry of Labour, Ministry of Agriculture, and the like. These Ministers may or may not hold seats in the Cabinet. All this will mean expense, but that expense, I say, would be more than justified by the results which will be achieved, because, coming back again to my point, we depend a great deal in this country upon the efforts of Government and it is very necessary that the machinery of Government should be adequate to the demands made upon it. I hope that this reorganization of portfolios which has been suggested by the European Group will be taken in hand at once.

That brings me to another aspect of the question, and that is the necessity for setting up some sort of organization in the country for the purpose of adequately looking after its economic interests. I can do no better than quote the words of Sir Arthur Salter in supporting the case for an Economic Advisory Organization:

"The period since the war has witnessed the development of what may prove to be an important adjunct to the machine of Government throughout a large part of the world in the form of Advisory Economic Councils and Committees. These vary considerably in functions and in form; but they present certain common characteristics and seem to respond to a widely-felt need in the post-war world. The State's action in connection with the national economic life has almost everywhere become more extensive and more complex. Whether in the increased range of State control, or the construction of new and more complicated tariffs, or the institution of systems of prohibition or license or State encouragement for some form of monopolies, the Government has almost everywhere accepted more onerous and intricate duties. In many cases it has been felt that for such work the parliamentary machine alone does not ensure sufficient contact between official policy and unofficial opinion; and is moreover both overworked and unspecialized."

[Mr. H. P. Mody.]

Sir, these words are a justification for making a departure from the existing order of things, and for the institution at a very early date of an Economic Advisory Council. The reasons given by Sir Arthur Salter in support of the suggestion that this reform may be held back owing to the abnormal conditions no longer hold, and the time has come when the economic organization of the country must be taken in hand. For carrying out that object, the Executive Council, as at present constituted, or even the Economic Sub-Committee of that Council which has recently been set up, are hopelessly inadequate. One of the important results which an Advisory Body would achieve would be to strike the balance even between the claims, very often the conflicting claims of agriculture and industry. In this House, increasingly in the last few years, these conflicts have come to the surface and have been very vocally expressed. When an expert body commanding the confidence of the various interests concerned is set up, and certain policies are recommended and are given effect to by Government, the position will be very different. So also would such a body do away with provincial jealousies. Whenever some tariff measure has been put up before this House, some Province or other feels aggrieved. My friends from Bengal and Bihar seem to think that Bombay is bleeding them white.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur cum Orissa Muhammadan): They are quite right.

Mr. H. P. Mody: There are other Provinces which feel that they are being treated unfairly. Sir, these provincial jealousies cannot possibly have the same force or effect, if that comes before the House has the backing of an expert body.

Mr. B. Das (Orissa Division: Non-Muhammadan): You are becoming very oracular today.

Mr. H. P. Mody: I come now to the question of trade agreements which my Honourable friend, Mr. James, has raised. Sir, all over the world an intense economic warfare is going on. Nations are sheltering themselves behind not only immense tariff walls, but are also strangling, or seeking to strangle, the trade of every other country but their own by subsidies, quotas, currency manipulations and the like. How is order to be evolved out of this chaos which prevails everywhere? One of the methods by which some countries, notably Great Britain, have tried to help themselves is by a system of bilateral agreements with various countries. Great Britain has concluded very recently a trade agreement with Soviet Russia. There have been agreements with Denmark, Holland and other countries. There have been agreements made with this country at Ottawa. In one way or another, Great Britain has come to realise—and after all, what Great Britain does in the industrial or economic field must still continue to play a dominant part in the affairs of the world—Great Britain has come to realise that it is only by a system of judiciously devised agreements between two countries that the trade of Great Britain can be secured. (Hear, hear.) My Honourable friend, Mr. James, has given certain examples. Take the case of tea. New Zealand gives preference to Ceylon, but none to India. Australia gives preference to Dutch tea, but none to India tea. Japan, in spite of enjoying the advantages of the most-favoured-nation treatment, shuts out Indian rice, and takes at the same time rice from Siam, because

of some agreement subsisting between Siam and Japan. Take also the various products in which our neighbour Ceylon could give and receive preferences. Then, there is the extension of the Ottawa Agreement—an extension which will be of enormous benefit to this country. All these are matters which require thinking out, and I say with confidence that my Honourable friends on the front Treasury Benches have no time to think. (Hear, hear.) They are very devoted servants of the people, very devoted servants of the Crown. I know the work that they are putting in, but I say that it is unfair to impose so much work and responsibility upon the shoulders of a small body of people. (Hear, hear.) Their work must be supplemented by the labours of bodies which have the proper equipment and the proper and adequate knowledge for the purpose.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must now conclude.

Mr. H. P. Mody: Yes Sir, there is only one thing; I have many things to say, but I recognise the limitations of time, and I shall presently conclude.

My Honourable friend, Sir George Schuster, has claimed—and very rightly claimed—on many occasions, that in several ways India is fitted immediately to go forward the moment the economic conditions become more normal, and that by means of the credit that she enjoys through her balanced Budgets and through her possession of enormous material resources, India might be the first to point the way to economic recovery. I submit that while this is eminently true in several respects, it is also equally true that if the existing machinery of Government were to continue till that time comes when the return to normality takes place, India will be severely handicapped, and she will not be able to keep in step with the more highly developed and more highly organised countries of the West. I would ask my Honourable friend, the Finance Member, to weigh very carefully this aspect of the question, and to do all he can to bring about a re-organisation of our industries, trade and agriculture. It is a matter of the utmost importance, and I do not think the Members of Government can afford to mark time while such drastic transformations are taking place of the organisation of other countries.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I join with my Honourable friend, Dr. Ziauddin, in offering my thanks to the European Group, and to Mr. James especially, for bringing this question before the House. I should like to accept the sub-divisions which Mr. James has followed in this House. First, it is the re-distribution of Government portfolios. I do not know how the portfolios came to be distributed as they are found at present. But I know something of the Provinces and there might be a good deal of analogy in the way in which portfolios are distributed.

In the Provinces and also in the Central Government, the number of Executive Councillors has been increasing on account of Indianisation. When at first a single Indian Executive Councillor was required to be employed, the Government at once increased the number of Executive Councillors by one, so that the expectations of the Civil Service should not be interfered with. In the same way, when the Reforms came in 1920 and the number of the Indian Executive Councillors was to be the same as that of European or Service Executive Councillors, the number of Executive

[Mr. B. V. Jadhav.]

Councillors was at once doubled. It cannot be said that the work had enormously increased. In 1920, in a Province like Bombay, the work was done by three Executive Councillors. Early in 1921, the number was at once increased to four Executive Councillors and three Ministers. So many hands were not required for the work of Government and I know from personal experience that none of the Executive Councillors and Ministers worked for more than two hours a day.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Question.

Mr. B. V. Jadhav: Perhaps my friend, Sir Cowasji Jehangir, might have been engaged with the Back Bay Reclamation.

Now, the Government of Bombay, in order to put their house in order, have taken to retrenchment, and it is creditable to them that they have reduced the number of Executive Councillors to two and the Ministers also to two. So the work that was distributed among seven persons is now distributed among four only, and still I do not think that they are overworked. In the same way, I think that in the Government of India also the number of Executive Councillors has increased. The idea is going round that when the Reforms come, the number of Ministers will have to be increased. I do not know whether that increased number will be required, but I am at one with Mr. James that there ought to be a re-distribution of portfolios. The present distribution is causing confusion and I think it is multiplying work. As a matter of fact, the present Law Member has not got much work, and I do not know whether the same easy job is not enjoyed by others. I think for the good of the Government some more establishment ought to be provided to the Law Member so that he may be able to take up more useful work. A good deal of amendment of law is required. Our laws have become almost archaic and many of the branches of law are neglected. I shall take an instance in point, for example, the instance of the insurance law, the commercial law, the company law, and so on. They are lagging far behind, and they are causing a loss to the people at large.

Mr. B. Das: That is not the Law Member's work; that is the work of the Commerce Member.

Mr. B. V. Jadhav: And that is the reason, I think, why the Commerce Member is now leaving the House.

The Honourable Sir Joseph Bhoré: I am here, Sir.

Mr. B. V. Jadhav: I am sorry, Sir. It is rather difficult to know for me where the work of the Commerce Member comes in and where the work of the Industries Member comes in. Their work overlaps and one is at a great disadvantage to know which is which. The Commerce Member ought to pay more attention to the improvement of the commercial laws. Our company law is very deficient and our law of insurance is more so. The establishment provided by Government for keeping watch over the various Insurance Companies, Indian and foreign, that are carrying on business in this country, is very meagre and the official Actuary cannot do much useful work. One instance I shall give. There are Life Insurance

Companies, for instance, which are spending large sums of money on their organisation and office establishment and they are actually incurring losses. Their business ought to be properly scrutinised and inefficient companies ought to be asked to wind up their business.

Mr. President (The Honourable Sir Shanmukham Chetty): The re-distribution of portfolios in the Government of India is to be discussed in the light of economy planning, but the Honourable Member is perhaps very wide of the mark in his remarks.

Mr. B. V. Jadhav: I think Sir, the economic planning also includes in it the working of the various economic branches and the industry of insurance is also an industry and it is economically necessary for the advancement of the country. Therefore, it is the duty of Government to see that that industry is not handicapped, but is properly carried on. I need not dilate on this subject further, but I want to bring to the notice of the Government the urgent necessity of amending this law, because the Indian Companies are hampered to a very great extent by foreign competition. The laws of foreign countries including England are doing everything for the advancement of insurance in their own countries and Indian companies have to suffer great disadvantage there. For instance, England requires that every insurance company that is going to open its office in England ought to make a deposit of about £20,000 with the Government there. In India, every English company or the insurance company of any other country is exempt from making any deposit, and, therefore, India is treating foreign companies much more favourably than the foreign companies are inclined to show to us. I claim that the laws should be so amended that there should be reciprocal treatment. I would not say anything further on this point, but I shall say that there is an urgent necessity of an Economic Advisory Council as has been asked by Mr. James. This Advisory Council should be a mixed Council of officials and non-officials so that the non-officials will be given proper information by the official side, and, in this way, the economic condition of the country will be under review. The non-official side ought to include successful merchants and manufacturers, so that their point of view will be placed before the Government first and the Legislature afterwards. In this way, the Economic Council will be of great use in helping agriculture and industry, and the question of agricultural and industrial labour will also be solved by their assistance. In this way, the Economic Council will be of great use both to the people and to Government. I do not want to take any further time of the House, but I would urge that Government ought to do something in order to improve trade and industry.

At present the sole idea of the Finance Member is how to get more revenue for Government and in this way tariffs are raised on articles without paying any attention whether the new duties are making the law of diminishing returns to work. In the same way, the old idea of putting on excise is being revived and taken advantage of to a larger extent than before. When the Sugar Bill comes before the House, I shall have to say something more about it. But now I wish to raise my voice of protest that, without considering the conveniences of the consumers, without paying any attention to the burden of the consumer, the Honourable the Finance Member is going to put on excise duty to secure more revenue. Had he paid any attention to the interests of the consumers, the best thing for him should be to reduce the extra duty, the surcharge, and avoid putting on excise. Excise in principle is not a very good duty, because it is a tax

[Mr. B. V. Jadhav.]

upon production. It is not a tax upon profits. As a tax on profits, the income-tax is a much better tax than excise. So, in the matter of tariff, there ought to be a uniformity, and the question ought to be dealt with as a whole as has been asked by Mr. James and not dealt with piecemeal as is the policy of the Government of India at present.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir, it is very necessary that we should appeal to the Government to carry on their administration with economy. I may suggest that certain Departments which have been split up, but were formerly joint, should be re-amalgamated. Sir, we know that the work was going on quite well under the old conditions and that in prosperous days when we had no deficit budget. Policy of administration in many of these matters may be revised, and, in that revision of policy lies the real salvation of this country, the real hope for fruitful economy to be carried out. Scales of pay for future entrants in the services can be fixed. In this connection, this is to be found out as to what would be a reasonable scale of pay to attract men of the stamp that are required, so that they may live with contentment and their pay should be fixed according to the responsibility of their work and according to the conditions of this country, and not according to the conditions of other countries.

Sir, the necessity of economic planning has been urgent in every country, and more so in India. What method should be adopted for framing an economic plan is a matter for experts, and I do not intend to assume the role of an expert.

The formation of an Economic Advisory Council I heartily support, but I must ask the Government to have such experts in the Council who have better experience of Indian administration and Indian people. They must be men not only of high intellectual attainment, but who will have a keen eye for the well-being of the people of India irrespective of all other considerations. As regards revision of Trade Agreements, I would with respect warn the Government against any measure that would in any way interfere with the recovery of Indian trade and reject such measures as advised by interested individuals. I will welcome such revision of trade agreements which will be for the benefit of the poor people in India and not the commercial magnates, be he a European or an Indian. It has been asked in this demand for consideration and consolidation of the Tariff; although British trade has been protected as best as it could be and even the Bombay Millowners, headed by Mr. Mody, have come to an agreement which is hardly conducive to the welfare of the country.

Sir, a time may come under the future Constitution when there may be enthusiasts in this House who may ask for far reaching reforms to raise the economic position of the masses, reforms that may cost vast sums of money; but I feel confident that the common sense of our people will, on the other side, balance any wild or impractical schemes that enthusiasts will put forward in the future Legislature of India.

Sir, the Telegraph Retrenchment Committee under the Chairmanship of Mr. (now Sir) T. Ryan had strongly recommended that quite a large number of departmental telegraph offices could easily be converted into

combined offices, as a measure of economy, without causing any inconvenience to the public, but it is difficult to comprehend why this fruitful measure of economy is not being pushed through, especially in view of the present financial crisis. Such other sorts of economic methods can be adopted by experienced persons of the Department.

Sir, with these words, I give my support to the motion of my Honourable friend, Mr. James.

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 Sir Shanmukham Chetty) in the Chair.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I also join in the chorus of congratulation to the European Group for their having raised a debate upon this important question, and I was particularly glad to hear the assurance given by my Honourable friend, Mr. James, that the European community in India identify themselves with Indian interests entirely and that they do not consider themselves separate and would fight our cause just as we do. Personally, I had never any doubt upon that matter. In fact, my complaint to the members of the European community, both inside and outside the House, was that they do not co-operate with us more and that they do not co-ordinate their activities with us. To that extent I think we would be greatly benefited, because, after all, when there is a dispute between us and the English people there in England, I know perfectly well that they will believe their own people, and that is at least one of the reasons why I said that they should co-ordinate with us and understand our view-point and work with us. Sir, that is not a thing that I say now, and if my friend, Mr. James, will excuse me, I think I might tell this House that for some time past I have been telling him that, instead of criticising the Assembly and its business, he ought, when the new Constitution comes, to transfer his energies and labours to Madras and become a Minister there.—I do not think the Constitution prevents the European community from becoming Ministers.—and thus give us the benefit of his industry, energy, intelligence and the experience that he has gained in this place.

Sir, that done, I am sorry I have got to fulfil the expectations of my Honourable friend, Mr. James, that his speech was very much disappointing. He said that people would probably be disappointed and I assure him that I for one was disappointed. And why? Because these readjustments of Departments, the work that one Member has to do, whether it is more or less, whether the Honourable the Law Member will have another burden on his shoulders, whether my Honourable friend, Sir Joseph Bore, understands the working of the Ecclesiastical Department in order to transfer one Bishop or another from one place to another,—these are very good matters. They create great amusement, but what is the net result of this general proposal? If it is necessary to constitute one or more portfolios, please do it. But, may I ask, who is going to pay? A sum

[Raj Bahadur G. Krishnamachariar.]

of 14½ crores is what Sir Malcolm Hailey said was going to be the cost of these Reforms. That does not take into consideration my Honourable friend, Mr. James's proposal about one or two Executive Council Members extra. But calculate their cost and then a certain number of unattached people, Ministers for instance, even before the new Constitution comes into existence and a whole lot of others. In the olden days, when we were in school, we had a copy-book maxim that too many cooks spoil the broth. I do not want a multiplication of these people at headquarters. The Government of India know exactly what our position is and I had expected my Honourable friend, Mr. James, to tell us not about the machinery that will work, not to tell us that, but to tell us the materials which this machinery should work, and then say whether the machinery that now exists with all its paraphernalia is not sufficient to use those materials and work them to our advantage. That, Sir, was singularly absent from his proposals, and it is all very well to say that you should revise your trade agreement and bring into existence economic councils and so on. Sir, that will be no good. On the contrary, I respectfully invite the attention of the House to a few of those materials which deserve to be worked and which should be worked whether the new Constitution comes into force or whether you have got to do it under the existing Constitution.

Now, Sir, in order to lay before the House a few observations upon this point, I cannot better begin my subject than by thanking Sir George Schuster for the courageous manner in which he broke off from the beaten path and gave us a summary of his ideas regarding the economic prospects. On going through that, I felt so grateful to him that I thought that if that was the only service that he rendered to us here, that alone would be compensated for all the five years' stay here. And why? All these years we have been stating a good many things about our grievances in connection with the agricultural or economic condition, and we always thought that whatever we said, the Government of India either did not hear or heard it by one ear and allowed it to pass out by another. We were not satisfied, because there was no indication that they understood our view-point, that they realised what our complaints were and that they made any serious attempts to tackle that position. Now, all that doubt regarding the realisation of our position has been set at rest by this speech of the Honourable the Finance Member. Those pages in which he has dealt with this question of the economic prospect are very valuable and they give us a complete picture of our economic condition, and the only thing now remaining is to find out a remedy to improve those conditions in such a manner as would benefit the people of India. The most important proposition that he laid down was that the financial policy of a country reflects the economic condition of its people. That is the text of the sermon and upon that and upon that alone I did expect my Honourable friend, Mr. James, to discuss this question of planned economy. So far as India is concerned, no economic plan would be of any use except that the economic plan promises to a great extent the improvement of agriculture and improves the position of the agriculturist in the economy of the country. After laying down that proposition, my Honourable friend, the Finance Member, proceeds to give us the details of the items which go to make up the grievances of the agriculturist, and you do not want to do anything except to read those pages to realise the lucidity and the clearness with which the whole position has been expressed.

Now, Sir, I will first take the question of indebtedness. Agricultural indebtedness has been a very chronic thing, and everybody in season and out of season, both on the Government side and on our side, has been saying about it. But what is the result? We cannot do anything. We can only tell them what the grievances are, and so far Government have not done anything upon any approved plan or policy in order to relieve us from this indebtedness. At one time we thought that they had not even understood that we are indebted, because when the late Dadabhai Naoroji wrote his book "Poverty and Un-British Rule in India", and told the Government of India what the average income of the Indian people was, he was held up to ridicule, and a great big Viceroy attempted to controvert the position and entered into a discussion of the statistics, but I believe he came very near to the margin arrived at by Dadabhai Naoroji. My first point is that this question of indebtedness should be tackled, not in the drastic way of repudiating the debt, because that is not the genius of the Indian nation—no Hindu or Muhammadan will ever think of repudiating a debt justly due by him—and that reminds me of a little incident when I was in practice: a Muhammadan had lent a few rupees to a man and he filed a suit in Court; the defendant was put up by the vakil to deny the claim. The Muhammadan was aghast; he said "Do you deny the claim? All right; I will take it back from you there when your face will become blackened in the presence of God Almighty on the day of judgment". So, unless you pay the money, no debt is wiped out. What is the proposal that the Government are going to make? That is the first question that I would put upon this motion regarding planned economy and I would dispose of it in this manner. Fortunately in redemption of the promise that the Honourable the Finance Member made at the time we were discussing the Reserve Bank Bill, he is calling a Committee to inquire into this question. I have got to make two proposals regarding it. In the first instance, there used to be a gentleman of the name of Sir Daniel Hamilton at Calcutta who had given elaborate proposals to wipe out the debt of the Indian agriculturist, and, although I have not seen a complete picture of it in detail, I know something about it, and I hope that if only as a matter of courtesy his proposal will be examined by this Committee. But, I am coming to a more important thing.

My Honourable friend, the Finance Member, said that money was cheap. This is the time when, if possible, you can devise some step by which the indebtedness of the ryot can be wiped out. But, as he always says, and I agree, it is a matter for the British Government, and when those gentlemen of the Local Government come, I am afraid they will be in the same state of mind that I described the other day the Finance Member of the Government of Madras is: he says "What shall I do if all my money goes out?" Now, that is a standpoint about which I strongly protest. The country is not going to cease to exist tomorrow and the income that comes in today will again come in tomorrow: you are not required to hoard. Take the money you have and boldly enter upon a policy of giving relief to the persons whom you have been admitting, year in and year out, to need relief. I do not know how that should be done. Sir George Schuster has got cheap money, and these gentlemen want money in order to wipe out the debt. I quite admit that the question of indebtedness is not so easy as that—take a book and dash a line across the amount of indebtedness—I know it is not so easy as all that. It bristles with difficulties, and I would only request that, instead of blaming the poor unfortunate ryot that his indebtedness and his sins are due to

[Raja Bahadur G. Krishnamachariar.]

the fact of his being improvident—it is rather a cruel thing—he has not got anything to eat: their own people say that 40 millions of these people from year's beginning to year's end pass the days without knowing what it is to have a full meal a day; and when, in spite of that, he is pressed for Government demands and he goes and borrows the money, which he is never able to repay, he is told "What can we do? It is all due to your improvidence". I thought that improvidence was the characteristic of a man who has got something to spend, and, instead of spending it on the right thing, he does so in the wrong way; and the next man, who comes in for a good deal of abuse, is the village money-lender. I am glad that the Honourable the Finance Member gave a fitting tribute to the ancient money-lending system which he rightly recognised as elastic, and for the future he said he was going to base his credit policy upon centuries of experience rather than go about sketching new lines

Mr. B. Das: Did he say that?

Raja Bahadur G. Krishnamachariar: Yes: I want you to read it again.

The next point I would refer to is the raising of the prices of the agricultural produce. I know the Honourable the Finance Member's views; he is against the devaluation of the rupee and he has quoted with great aptness the observation of the ministry of the United States of America as to the probable result of the devaluation of the rupee. I know that gentleman has written very strongly, but the greatest refutation of his argument is that his own people, within a few months of his writing it, have devaluated the dollar. I am afraid that when we talk of devaluation and when the Finance Member repudiates that policy, we are talking from two different standpoints. What we say is we are not concerned with the permanent everlasting effect of this devaluation, but at present we are in great stress; every country, I suppose, knows its business—they are not all fools—just as much as we pretend we know ours; and when we find that every country in the world has devaluated their own currency for the present and as a temporary measure we might follow their lead, and when conditions readjust themselves, we can go back to our original position. Why do I say that? Only this morning a cable from the United States said that half of the treasury balances in the United States of 44.84 million dollars, half of that is due to the profit made by the devaluation of the dollar. What I want is this: make this profit: relieve us of our immediate trouble; and when you find that this will not satisfy your needs, go back to your original position. Consequently, that is a matter that has got to be considered by those responsible in revising this economic planning

Mr. B. Das: They would not be allowed by the British Government to do it.

Raja Bahadur G. Krishnamachariar: We shall see that at that time. In that admirable speech, to which I referred in the beginning, there is only one paragraph which has unfortunately disappointed me and that is when he says:

"As to the first, that is to say, to deal with the increase in the real burden of the fixed money payments of the agriculturists due to the fall in prices and the accumulation of debt which has resulted therefrom, there have been many alleviating factors which have resulted in the avoidance so far of any really urgent crisis. Various

provincial governments have made substantial"—(I want you to note that word 'substantial')—"remissions in land revenue and water rates. Landlords have not pressed for their full rents"—(that has nothing to do with the Government)—"India's money-lending system has proved elastic and generally speaking the demand for reductions has not been pressed"—(that has not got anything to do with the Government)—"As a result the great mass of agriculturists have had enough to eat and a sufficient margin in cash not only to pay taxes at the reduced level but also to maintain at a fairly reasonable level their purchases of necessities."

Now, Sir, in that one paragraph there are more inaccuracies than there are lines. I am sorry that whoever briefed the Finance Member to make these statements has let him down

An Honourable Member: He wrote them himself.

Raja Bahadur G. Krishnamachariar: He cannot write such statements himself, because he cannot claim personal knowledge of all that the Provincial Governments have been doing; somebody must have told him that, and of course he has no reason to disbelieve it, and, therefore, he has made those statements. Now, I am entering a caveat against it. I am speaking specially with reference to the Madras Government that there has been sufficient

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member may conclude now in a couple of minutes.

Raja Bahadur G. Krishnamachariar: All right, Sir, I will finish this portion, with your permission, and for the rest, I will put one omnibus sentence. Sir, although the Legislative Council of Madras unanimously asked for a reduction of 25 per cent., and although the Finance Member of the Madras Government, as President of the Finance Committee, agreed that a reduction of 18½ per cent. was perfectly reasonable, and was called for by the exigencies of the moment, yet, as a Member of the Government, he said only a reduction of 12½ per cent. could be made. That *ex hypothesi* seems to be a mockery. Crops, due to the cyclone, have failed, of course we have not had an earthquake, but we had floods and all those things, with the result that there have not been abundant crops, but, what crop there is, there is no market for it. There has been little production and less demand for the reduction, and I am supposed to have cash, because I pay the Government demand. I say—go and ask the money-lender—my money-lender who made it possible for me to pay the Government revenue,—but that is no answer at all to say, if you cannot pay the Government revenue, abandon your land. Sir, the officials were asked to reduce their pay by ten per cent. Did they leave their jobs? Why did they not do it? They resented it. Therefore, I would request that these may not be taken as criteria or even as correct, but the Government should proceed to consider not only that particular thing, but the other two things as well, namely, how to raise the internal and external prices.

Lastly, Sir, I would only allude to one thing, because, without a reference to this aspect of the question, the whole thing will be incomplete. They are thinking of raising the standard of living. By all means do give us two meals a day, give us sufficient clothing by which we could cover our bodies as against the sun and the rains, but for Heaven's sake, don't put into our minds the ideas of so-called necessities and buying those small foreign or local made things which are absolutely unnecessary. If

[Raja Bahadur G. Krishnamachariar.]

once those things are shown to us as a necessity, they will prove an absolute misery to us, because our wants will increase and we shall never be able to satisfy those wants, because, if luxuries cannot be satisfied, there will be more misery and more discontent, and there is always abuse of the Government which I want them to escape from.

The Honourable Sir Joseph Bhore: Sir, the able and effective speech of my Honourable friend, Mr. James, and the speeches of those who followed him have covered a very wide range of subjects, such as the distribution of portfolios, Tariff Boards, Commercial Treaties, the re-distribution of wealth, International Labour Conventions, Commercial and Insurance legislation . . .

An Honourable Member: Agriculture.

The Honourable Sir Joseph Bhore: I beg your pardon, agriculture also.

An Honourable Member: That is not in the mind of my Honourable friend.

The Honourable Sir Joseph Bhore: It is obvious that it would be impossible for Government to give at short notice considered opinions of all these matters—matters of great complexity and great importance. But I take it that what my friend really intended to do was that he intended to bring to the notice of Government the view of his Party and of the House that these are all matters of first-class importance, and that the attention of Government should be directed to them at the earliest possible opportunity. I can assure him, Sir, that, so far as those matters concern myself and my Department in one way or another, they have been constantly before us for many months past.

Now, Sir, I do not propose to do more,—because my Honourable colleague, the Finance Member, will reply to the debate in general,—I do not propose to do more than reply to two or three of the main points which have been raised. I will take first, Sir, the question of commercial treaties.

I think it may possibly interest the House to know that our treaties fall generally into three classes. There is first the class of treaty in which India is directly a party; secondly, there is the class of treaty concluded by His Majesty's Government which has been applied to India; and, thirdly, there is the class of treaty concluded by His Majesty's Government which has not been applied to India, but in respect to which the most-favoured-nation treatment can be extended to India on a basis of reciprocity. It might perhaps be of some interest to Honourable Members if I indicate one or two of the most important countries coming under these various categories. Under the first class, we have countries such as France, Greece and Turkey. Under the second class, we have something like 22 countries, and I need only mention a few, for instance, China, Egypt, Italy, the Netherlands, Norway, Sweden, United States of America and Persia. In the third class, we have countries like Austria, Czecho-Slovakia, Finland, Hungary, Portugal, Spain, and so on. Now, Sir, it is perfectly true that some of these treaties are very old in point of time, but I would suggest that that by itself is not a sufficient cause

for the revision of those treaties. In the first place, Sir, it will be realised that it would be an almost impossible task to embark at once upon any general revision of treaties with all the countries of the world or even with some of the most important of them. Purely as a practical proposition, that, Sir, would raise tremendous difficulties. I think, Sir, a reasonable line of approach is, not to inquire whether a treaty is old in point of time, but to inquire whether in actual practice the present conditions of trade and commerce necessitate some revision of that treaty. That, Sir, is the general line of approach which we have adopted in respect of these treaties . . .

Mr. H. P. Mody: What about the Trade Convention with the United States whereby the most-favoured-nation-treatment is accorded to the United States, but not to this country—a Trade Convention entered into in 1815, with a four years' notice clause, which has never been made applicable?

The Honourable Sir Joseph Bhore: So far as the most-favoured-nation clause and the United States of America are concerned, I am not by any means clear that we cannot, as things stand at present, discriminate against the United States of America. However, I will not go into the very thorny question of the interpretation of treaties, but, as I say, an outstanding example of our procedure is the case of Japan where, owing to special circumstances which certainly could not have been foreseen at the time that treaty was entered into, and which made it essential for us to repudiate the treaty, we did so and entered into negotiations for the substitution of a new treaty more in accordance with conditions that prevail today. I have no doubt that the treaty with Japan will not be the only treaty which conditions now or in the near future will make it necessary for us to revise. In fact, I am not disclosing any secret when I say that one or two treaties are at the present moment under our active examination. But, Sir, hurried revisions for the sake of revising and bringing up to date old treaties I would deprecate. Conditions today in the economic world are extremely uncertain, and it would appear to be the wiser course to adhere to our existing engagements, unless, of course, circumstances made it essential as they did in the case of Japan for us to undertake an immediate revision—I say that it would be wiser for us to keep to those old engagements until we can see our way much more clearly. There has, of course, been a reorientation of our policy in regard to trade agreements. Until comparatively recent times, our ideas generally were to keep these trade agreements as simple as we possibly could. We attempted to do very little more than secure to Indian goods most-favoured-nation treatment. But, Sir, today trade relations have grown very complex, and it seems almost certain that in the future the simple engagements of the past will have to give place to much more complicated and much more complex arrangements. Might I suggest to my Honourable friend, Mr. James, that he would have made a much more useful contribution to my Department if he had indicated what treaties he thought necessitated immediate revision, and on what grounds? For instance, he has referred to the case of the United States of America. I would have liked him to have said why in his opinion that particular treaty, apart from the fact that it is a very old and archaic treaty, why that particular treaty should be revised, whether there is anything in it which at the present moment has adversely affected our trade relations with the United States of America.

Mr. H. P. Mody: Yes, it has. From a favourable balance of Rs. 17 crores in 1913-14 there was an unfavourable balance of a crore of rupees last year as against India.

The Honourable Sir Joseph Bhoré: Well, Sir, it is obvious that that may be due to many other reasons, not necessarily to the treaty itself. It is in this way, I say, that the business and commercial community can very considerably help the Government and also this House—by making definite suggestions, and we ourselves would very gladly welcome any suggestions on those lines.

Now, Sir, my Honourable friend, Mr. James, raised the question of railway rates and fares. I do not know whether he was here during the discussion on the Railway Budget, but I took the opportunity then to make it quite clear that we were fully seized of the importance of re-considering entirely the question of the classification of goods and that we had actually taken the preliminary steps necessary for a full consideration of that very important and complicated matter.

Mr. F. E. James: By whom is that consideration to be given?

The Honourable Sir Joseph Bhoré: The consideration will ultimately be by the Government of India after the preliminary work is done, and I pointed out that, in order to make the examination effective, it would be essential to collect very detailed and very comprehensive data. The collection of that data, I pointed out, had already been undertaken by the Railway Conference, and I suggested that at some stage or other it might be advisable for us to associate in the examination of this question non-official representatives of commerce, trade and possibly of this House.

Then, my Honourable friend asked me what we were doing in respect of further agreements with other parts of the Empire. Here, again, I can assure him that the Government of India have not gone to sleep. At the present moment we are in communication with two of the dominions, and I think I shall soon be in a position to say that we shall very shortly begin negotiations with the Irish Free State and with Canada.

My Honourable friend referred lastly, so far as the subjects with which I am concerned, to the Tariff Board, and I think he suggested an organisation similar to that which exists in the United Kingdom. He referred, I think, to the Import Duties Advisory Committee in the United Kingdom. I would like to draw the attention of the House to the difference that exists between the two cases. So far as my information goes, the functions of the Advisory Committee in the United Kingdom are to make recommendations to the Treasury as to what goods should be exempted from the duties imposed by the Act and as to what goods should be subject to additional duties on the ground that they are articles of luxury or articles of a kind which are being produced or are likely within a reasonable time to be produced in the United Kingdom in quantities which are substantial in relation to the United Kingdom consumption. Well, Sir, this Advisory Committee, on its own initiative, takes up the examination of these questions, and when it has made a recommendation, that recommendation is considered by the Treasury. The Treasury, without reference to Parliament, considers the recommendations of the Committee and takes such action as it considers necessary.

Mr. F. E. James: Might I interrupt the Honourable Member? We had made it quite clear in our recommendations with regard to the Tariff Board that we do not suggest that it should follow exactly the model

of the Tariff Advisory Committee in England. That Committee, as the Honourable Member knows very well, has tremendously autocratic powers which, we do not consider for a moment, should be handed over to the Tariff Board of this country. We only suggest that the duties which are laid upon the Tariff Committee at home in reference to the position of goods liable to tariff used by industries and the effect of protection upon certain industries through information collected compulsorily—we only suggest that those two functions should be given to the Tariff Board here. I think I ought to make that quite clear to the House.

The Honourable Sir Joseph Bhoré: I am glad my Honourable friend has made his position clear, because I was going to emphasise the difficulty of bringing into practice such an arrangement here. I am quite sure that this Assembly would never consent to such a course here. The last word in regard to the Tariff Board has not been said, and what its composition, its constitution and its functions should be are matters in respect of which we keep an open mind. I can assure my Honourable friend that we entirely agree with him that a Tariff Board should contain members with recent commercial and business experience, but I must tell him that it has been a matter of the utmost difficulty for us to get even one suitable individual of sufficient status and standing in the commercial world to become a member of the Tariff Board. However, Sir, here again, this, is a matter in which suggestions from all quarters of the House will be welcomed by the Government of India, and we shall most certainly consider them. I would, however, like to say this, that the Tariff Board has up to the present served a most useful purpose. It has done most valuable work. I am quite sure that my Honourable friend did not intend to cast any slur upon the Tariff Board and its work, but I would like to say that I consider that whatever may be the objections to its constitution as it exists at present, it has till now played a valuable part in the Industrial economy of the country. I think that that covers most of the points that I am in a position to refer to. The other points which my Honourable friend has raised will be replied to by my Honourable colleague when he winds up the debate.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Mr. President, the questions that have been raised by my Honourable friend, Mr. James, are undoubtedly very interesting, but having listened to the greater portion of his speech, I am not quite satisfied how far the questions that have been raised are of practical importance at the present moment. It struck many of us on this side of the House that at any rate some of the suggestions were of a more or less theoretical character and very remote from approaching any reality. Take, for instance, the question of the additional portfolios in the Government of India. I take it that my Honourable friend is aware of the Government of India Act and that the Members of the Executive Council are limited by that Act, and, further, it is a matter of the greatest importance to consider from many points of view, whether there is really any need for the addition of a portfolio in the Government of India.

Mr. F. E. James: May I say, Sir, that I made no recommendation that there should be any increase at present in the portfolios. I merely hinted that, possibly, later on, if certain things happen, there might be a need for an additional Member as a result of redistribution. We do not have any addition in our view.

Sir Abdur Rahim: I am very glad that my Honourable friend disclaims any present intention to suggest that there should be more Members of the Executive Council.

Mr. President (The Honourable Sir Shanmukham Chetty): There is no limit for the strength of the Cabinet under the Government of India Act.

Sir Abdur Rahim: At any rate that was one of the matters which made one think that perhaps some of the questions raised by my Honourable friend were not in the realm of realities, because the House, I am sure, would have to consider very carefully any additional expenditure that might be proposed in the Government of India. As a matter of fact, the Government of India themselves have been busily engaged, out of sheer necessity, in retrenching their expenditure. As regards the redistribution of portfolios, that is a matter of internal arrangement with which it is very difficult for us to deal from this side of the House. From what we can judge of the work that is done by the Honourable Members of the Treasury Bench here in this House, one may form some sort of general impression that some of the Honourable Members are harder worked perhaps than the others, but that is not a sufficient indication of how the work is distributed among the Honourable Members of the Executive Council. That is a matter, as I have said, for internal distribution of the Government's work.

As regards the relation of one particular subject to another, no doubt many of us in this part of the House have been puzzled by the fact, as was pointed out by my Honourable friend, Dr. Ziauddin Ahmad, why for instance the Commerce Member should have been the spokesman of the Government on the question of tariffs and protective duties. The development of industries, I understand, is under the charge of my Honourable friend, Sir Frank Noyce, but there also I do not wish to pry into the secrets of Government, if there is any secret. There may be some policy behind it of which I am not aware.

Now, as regards the next item, the Tariff Board and its personnel, I think the Honourable Member in charge of the Commerce Department has made it quite clear that, so far as the present Tariff Board is concerned, the public has no particular cause for complaint. I do not know how far commercial experience and industrial experience are properly represented on the Board at present or not, but I should like to make one suggestion, as the matter is apparently under the consideration of Government, that it would not be fair to the general public of India so to compose the Tariff Board as to make it the spokesman of particular interests. That, I take it, must be guarded against. Government ought to see to it that there are on that body some men who can take a detached view of the position and safeguard not merely the interests of particular industries, but also the interests of the general public. I take it that this is a consideration which might commend itself to the Government. I do not wish to say anything more on that, because some of the recommendations of the Tariff Board will come under our consideration very soon.

Then, there is the very interesting suggestion made by Mr. James regarding the composition and constitution of an Economic Advisory Council. I agree with my friend, the Raja Bahadur, that the Honourable the Finance Member gave us a very interesting account, from his point of view at any rate, of the economic prospects of the country. That

has conveyed to our minds certain suggestions which are undoubtedly worthy of consideration by the Government as a body. There is one thing to be considered in this connection which I believe was alluded to by my friend, the Raja Bahadur, and that is this. Are we really engaged merely in devising some machinery, without finding out, to put it in his own words, whether there is any material upon which that machinery is going to work. When we talked on this side of the House of economic planning, we had in our view, though in a very general and vague manner, that the Government of India would consider whether the time has not come, having regard to the economic condition of the people generally, for them to devise means of developing the resources of the country as a whole, by means of definite schemes, say for instance, of irrigation or electrification and generally supplying more power to the country and schemes of that character. That at any rate was in my mind when last year, and, I think, also the year before, I spoke on this question during the Budget discussion. I do not deny that an Economic Advisory Council might be in a position to make useful suggestions, and, if it is properly constituted, suggestions from that body might be of great value to the country. But I do not think the Government of India can here overlook the fact that, so far as the economic development of the country is concerned, apart from any question of commerce and trade to which I shall come presently, so far as developing the industrial resources of this country is concerned, industry is a provincial subject; and if you are going to have, as we all confidently hope we shall, provincial autonomy in the real sense of the word, then in that case it will be within the jurisdiction of the Provinces and not of the Government of India to develop the economic resources and the industrial capacity of particular localities. I for one find it rather difficult at present to realise what the Government of India, sitting here as a Central Government or as a Federal Government in the future, can do to develop the economic possibilities of the Provinces. They could certainly, through protective tariffs, for instance, do something indirectly or perhaps even directly to help the growth of nascent industries. But so far as other matters are concerned, I do not see that they are really within the province of the Government of India.

I now come to the question of trade agreements, which I suppose was most in the mind of my Honourable friend, Mr. James, though he put it last. It is very generally the postscript that is the most important part of certain letters. (Laughter.) Now, as regards the trade agreements, I think the Honourable the Commerce Member made it very clear that these are questions of great complexity. Take bilateral agreements. One might, perhaps, think that nothing would be more easy than to enter into bilateral agreements between India and any other country. But obviously such an agreement is bound to have its reactions on the trade relations with other countries as well, and the Government of India have certainly to take note of that fact and consider how far it would beneficially or injuriously affect the interests of India—its commerce, trade or its industrial development. Therefore, to say simply that this policy of bilateral agreement ought to be pursued without any further consideration, is simply talking, if I may say so with respect and without any offence, in the air. Sir, we shall have an opportunity very shortly to consider two very important trade agreements and it would not be advisable to anticipate the considerations likely to influence the House in these very important matters. But all that I wish here to suggest to the House and to warn the House is that the question of trade agreements must not

[Sir Abdur Rahim.]

be treated lightly, as if a mere agreement arrived at between two countries (Mr. B. Das: "Or between two private parties") would solve our difficulties. I do not wish to enter upon the merits in any way of any of those agreements which will come under the consideration of this House very soon. I am perfectly sure, my friend, Mr. Mody, will prove to the House that it is beneficial and useful to the country (Hear, hear)—at any rate to his own satisfaction. (Laughter.) Then, I think what has been said by my Honourable friend, Sir Joseph Bhore, as regards revising old treaties is perfectly sound, if I may say so, for we have got to see whether treaties which have been entered into in the last century are actually beneficial to us or harmful to our trade and industries. Because they are old, it does not necessarily follow, as has been pointed out so clearly and so forcibly, that they are to be condemned at once. Sir, on the whole, it really seems to me that the present discussion is more or less in the theoretical sphere and does not lead us very far towards coming to any conclusion on any definite matter. (Loud Applause.)

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I must congratulate my Honourable friend, Mr. James, on the very sensible speech that he delivered this morning. I was particularly impressed with its extremely non-controversial character. Sir, I am thankful to him for raising this subject and giving the House an opportunity to discuss it.

Sir, "planned economy" is a very wide field, covering as it does all the human activities, such as agriculture, industry, trade, transport and other things. The present policy of the Government of India seems to me to be, I will not say, one of lethargy, but I would say one which has been consistently spasmodic, or to use another word, haphazard. Whenever the millowners of Bombay said that they wanted protection, or the coal industry said that it wanted protection, or, for that matter, if the iron and steel industry raised a hue and cry that foreign metals were being dumped into this country to the ruin of their trade, forthwith the matter is referred to the Tariff Board or to a Select Committee and then some action is taken. Sir, I should think that that is not in keeping with the notions of a civilized Government. The old idea of preserving law and order is not all that a Government has to do. It is the duty of the Government to safeguard and ameliorate the economic welfare of the people under it, and, in that direction, I am afraid the Government of India have not till now been discharging their duty properly.

Sir, my Honourable friend, Mr. James suggested the formation of an Economic Council. I perfectly agree with him that it is highly necessary for the planned development of the resources of the country in all directions. I do not mean to say that we must have a huge and costly body to deal with these things. A small body of economic experts is sufficient. They may also be authorised to co-opt businessmen and statesmen whenever they choose or particular subjects are referred to them. It must be the source from which Government will get all ideas and inspirations for the discharge of their duty in this direction. I am told, all countries have got such Economic Councils to advise the Government. If such a Council is constituted in this country, I believe, we may as well dispense with the present Tariff Board, and the questions that are now being referred to the Tariff Board for their enquiry

may be referred to this Council and it might, with the assistance of co-opted members, better discharge its functions. At any rate, a membership of the Tariff Board ought not to be made a sort of stepping-stone for the Directorship of industrial concerns. I have heard it said that one of the members of the Tariff Board accepted the post of an adviser to a combine of match manufacturers and subsequently he became the Director of an iron and steel manufacturing concern. They should be well-paid and only men of strong character should be chosen. I am one of those who think that there is no need to import outsiders for such a Committee. We have now the example of two gentlemen from outside who are touring throughout the length and breadth of the country to collect statistics. Are there not competent men in our own country to do that work? If the Government say that there are not such competent men available in this country then it does not speak well of the Universities and the services themselves. I firmly believe that there are already any number of competent men in our own country and their services alone should be availed of. Another objection to bringing outsiders is that their outlook may not be in keeping with the national aspirations and the view-point of the requirements of this country. I hope there is no harm in saying that. I should certainly agree with my friend, Mr. James, in saying that a tariff re-organisation is absolutely necessary, particularly the incidence of taxation. What the Government should consider and realise is that the consumers in this country are mostly agriculturists and their purchasing power has greatly diminished of late. Another class of people who form a very large part of the population is the small artisans such as the handloom weavers and other people. The Tariff Board in its report says that the handloom weavers who number about 10 millions earn only a bare pittance of two annas a day. With the kind of indirect taxation that is now going on in this country on all necessities of life, you can more or less visualise their plight. Two annas will not go a long way to eke out a living, and if something is taken out of it, what will they do? We have to revise the tariff in the light of that observation, and if that is done, I am more than satisfied. As I said, Sir, India is predominantly an agricultural country and the world condition today is such that we will not be in a position in the immediate future to export our agricultural products to any appreciable extent outside this country. All countries are vying with one another in producing their own wants and India must be contented by being able to consume herself what she produces. Sir, the remedy lies in two ways. You might try to restrict or regulate the production of agricultural commodities on a planned basis. You might restrict the cultivation by taking into consideration the quantity that is required for the consumption in this country and also the quantity that you will be able to send outside. There is no meaning in encouraging cultivation on a huge scale without knowing how to dispose of it. That is what I mean by regulating cultivation on a planned basis. Another remedy is to increase the purchasing power of the people and help them to purchase the produces themselves and promote internal consumption. If the country becomes more industrialised and thereby helps distribution of wealth among the masses, it will be another way by which we will be able to remedy the situation. We must also exert to increase the output of manufactured goods and make the country self-sufficient in regard to her manufactured wants. Whatever raw produce we may produce in this country should be converted into finished products. India is already

[Mr. K. P. Thampan.]

supplying most of the cotton that is required for the Indian mills, and attempts are made to increase the cultivation of the long-staple cotton. The cotton that is now purchased from Tanganica and Egypt and other foreign countries could easily be produced here. It is quoting only one instance out of many.

In regard to industries, Government may adopt three policies. The Government may own all the key industries in this country. I have not used the words "nationalise all industries". The policy has been already accepted by the Government by taking in their own hands the hydro-electric scheme and other plants generating power. The railways are also State property in this country. Coal mines and all mineral mines may be made Government property. The other way by which the Government can help the industries would be to control certain other industries. They have already done so in the case of salt. There are many other things with which the welfare and prosperity of the country is bound up. Then, thirdly, they might regulate certain other less important industries.

My Honourable friend, Mr. James, referred to the question of the railway freight. Sir, I was very glad to hear the Honourable the Commerce Member say that the attention of the Government has already been directed to this subject and the Government have under consideration the revision of the railway freights. But I must repeat again and again on the floor of the House that the railway rates are not fixed on a rational basis. There are several nascent industries in this country which cannot compete with foreigners simply because the railway rates from the place of manufacture to the centres of consumption are very heavy. You have got a soap factory in Malabar run by the Madras Government. Outside Malabar nobody has heard about those soaps much less to speak of distant places like Delhi, Calcutta and Bombay. The railway freight from Malabar to Calcutta or Bombay is much more than the freight from London to those places. Under such circumstances, how can the industries of this country be fostered? It is not only the duty of the railways to earn dividend, but they must come to the rescue of nascent industries and serve a wider national purpose. If that orientation can be brought about, one of the difficulties for the solution of this problem will have been surmounted. The question of freight for rice from Tanjore to Malabar was referred to the other day in the House. It was said that the railway freight for rice from Tanjore to Malabar is six annas while the steamer freight from Rangoon to Calicut, which is five times the distance, is less than five annas. There is also the case of glass industry. There are some glass factories in Northern India which would have developed but for the heavy railway freight.

The other question raised was the controversy between rail and motor. I feel equally with others that the railways are the most valuable national assets of this country, but I have no hesitation in saying that the unhealthy competition that is now going on is purely due to their own policy. I will cite the case of Palghat-Pollachi extension. A road existed for nearly a century and when the railway authorities found that there was heavy traffic as judged from the income on tolls to the extent of Rs. 30,000, they in an aggressive spirit wanted to open the line and capture the traffic. If the railways are baulked in their attempts to capture other peoples' business and come to grief on account of their policy, who is to blame?

Why should we sympathise with the railways? It is easy to say that we have invested about a thousand crores on the railways. It is perfectly true I agree we must protect their interest. But if the railways are primarily responsible for bringing about unhealthy competition, they ought to suffer for it. The road service cannot be replaced by railways and we must be fair to both.

Before I conclude, I have yet to refer to another aspect of the question Mr. James referred to the treaties. The Government of India have entered into treaties with foreign nations. The Honourable the Commerce Member said that the revision of these treaties are being considered. But I missed one point in the speech of the Commerce Member and that was with reference to the agreement with the Indian States. The Indian States are as it were, dovetailed with the British territory, and if you want to pass one hundred miles in certain parts of the country, you have to cross two or three times through Indian States. How can you have a uniform customs duty under such condition, and I, therefore, submit that the Indian States should be brought in line in such matters with British India and ensure a uniform policy in such matters. In the Select Committee on the Factory Bill, my Honourable friend, Mr. Mody, said he would have no objection to accept shorter hours of labour if the Indian States also came into line with these laws. The backwardness of the Indian States is a great handicap not only for the social and material amelioration of this country, but also in all respects, and unless the Government take a bold step and prevail upon the Indian States to come into line with British India, I may say, though it may not be quite relevant, that the success of the proposed Indian Federation cannot be ensured. Sir, I support the motion.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I must perform a neighbour's duty in spite of the suspicions of my Honourable friend, Mr. Gaya Prasad Singh, who is probably an office bearer of the Democratic Party, but spoke only for himself. Sir, my Honourable friend, Mr. James, has very carefully followed the lead given by the Honourable the Finance Member in his Budget speech, that part of his speech which comes after the Budget, but is as relevant to it as the motion of the Raja Bahadur on the hurrying of Reforms. Just as the Reforms are bound up with the Constitution, just as the Federal finance cut-motion visualised the future, even so Mr. James, by his planned economy, though it ignored planned money, was visualising the future. Sir, I was poring over the pages of *Hansard* to discover a relevant passage for this occasion which I had come across and that was the suggestion, a very amusing and interesting suggestion of an important Member of the House of Commons that, because of the numerous accidents on the roads, the time had come to place the transport under the jurisdiction of the Home Member! The Communication Minister must be a part of the Home Member himself, and the Home Member himself must be performing two functions, namely, that of the Home Member and that of the Minister for Communication. That was the suggestion made in the House of Commons, and when Mr. James made the suggestion that he should divorce the Commerce Member from the Railway Department he was making a rather interesting suggestion worthy of the future for consideration, but unworthy very much of the present when we are concerned not with multiplying or dividing portfolios, but practising economy. In the first place, it is better to stand by "the devil" we know instead of jumping into "the deep sea" that we do not know. What for do you separate the Railway portfolio from

[Mr. C. S. Ranga Iyer.]

the Commerce portfolio? I do not exactly know what is the object of the Honourable Member who spoke for the European Group. Does he want really to create a sort of internecine squabble in the Viceregal Cabinet between the Commerce Department and the Railway Department? Did he think that the Commerce Department was so overworked that the Railway Department should be separated from it?

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Of course it is.

Mr. C. S. Ranga Iyer: My Honourable friend says "of course it is", which sums up the argument he would have developed had he spoken on this occasion. I know there is a section on this side of the House, my friends and neighbours who want to separate the Railways from the Commerce Department and I know that Sir Henry Gidney, the custodian of the Anglo-Indian conscience and the Anglo-Indian interests, would much rather have this divorce celebrated so that he might have greater occasion to put forward his demand in a more comprehensive and attractive way.

Lieut.-Colonel Sir Henry Gidney: May I offer you that portfolio?

Mr. C. S. Ranga Iyer: If he does not offer me that portfolio, he would like to have it himself. (Laughter.) I know Sir Henry Gidney and his community have been the severest critics of the Railway Department and probably they have come to the conclusion that because the Railway Member also happens to be the Commerce Member, by driving a wedge between them, by creating two individuals out of one, they would be able to achieve what they have in mind. But it is forgotten that the Railway Member has behind him a large army of Railway officials. There is the Railway Board. And the Railway Board and the Railway Secretariat are quite competent to look after Railway interests, and the Honourable the Commerce Member can certainly, as other Commerce Members in the past, continue to take up both the Railway and the Commerce Departments' facts and affairs and present them to this House. Let us see how this works in the House of Commons. Sir, you are no doubt aware and as you will have more opportunities of knowing them when you go to England and watch the proceedings of the House of Commons at Westminster

Diwan Bahadur A. Ramaswami Mudaliar: He has already done that.

Mr. C. S. Ranga Iyer: He will do so hereafter in his capacity as President of this House. When your education at Westminster increases, you will find how the Prime Minister, for instance, or the Leader of the House speaks on almost every important subject whether it relates to commerce or roads or unemployment or the Indian Empire. My Honourable friend, Sir Henry Gidney, whispers, "That is why they are so unintelligible". If he brings forward a Resolution in this House that Great Britain is unfit for responsible Government, and India being the largest part of the British Empire, the Capital and Parliament should be transferred from London to India, I at any rate will support it. They may be incompetent,—of this he is a better judge as he has greater experience than many Members of this House. But we are concerned with the competence of the Commerce Member who has handled, so far as he is concerned and this House is

concerned, both the Railway Budget and the commercial problems with great success, great ability and great satisfaction to the non-official side. (Applause.) That being so, I should like to know why we should do today what under a Federal regime we are certain to do.

Mr. A. H. Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Ten years afterwards.

Mr. C. S. Ranga Iyer: My Honourable friend, Mr. Ghuznavi, says, ten years afterwards, not now. As he has come fresh from England, his prejudices and apprehensions are also fresh. I do not share that apprehension. He hates the Federation; the wish being father to the thought, he would rather have it come ten hundred years afterwards, if at all. He is a provincial-autonomy-enthusiast. I for myself am a Federal enthusiast, and I am certain, judging from my knowledge of things, that Federation will come into existence much sooner than many faint-hearted people imagine. And under Federation two years hence you will have to revise the administrative portfolios, you will have to revise the composition of the Government of India, you will have to bring into existence responsible Ministers. It may be difficult then for one non-official Minister to be in charge of the Railways and the Commerce Department, I acknowledge. A democratic system is not so efficient as a bureaucratic system or an autocratic system. That has always been so. Inefficiency and democracy go together; but democracy is better than a bureaucracy, because it gives satisfaction to the people. And in a democratic regime I would certainly welcome a suggestion like that which has come from Mr. James. I am certain, Sir, there will be no necessity for a suggestion like that. Those who have read the evidence of the Secretary of State and his examination by my friend, Mr. Joshi, will agree that they are thinking of a Minister for Communication, or a better phrase, Minister of Transport.

Mr. N. M. Joshi: Communication is a better word.

Mr. C. S. Ranga Iyer: There has been some controversy about this word, and I have not been quite able to follow it. Sir, I should, therefore, think that if Mr. James were to press after this speech his motion to a division, Honourable Members who want not to tamper with the Railway *cum* Commerce Department will have to go into the same lobby with the Commerce Member. But I think Mr. James is "a wiser man". He knows his motion would be lost; he will not press it to a division, and specially after his beautiful speech in which there are so many common points of agreement. As speakers on the other side have shown, everybody wants an Economic Council. My friend, Mr. Joshi, wants it; and when Mr. Joshi says we want an Economic Council, so far as I am concerned, he being the most radical Member in this House, that is the last word on the subject for non-officials. But, Sir, we do not want an Economic Council like the Railway Advisory Council. I do not know how many times the Railway Advisory Council has met. Mr. Joshi and Sir Henry Gidney both tell me that it was once in three years.

Diwan Bahadur A. Ramaswami Mudaliar: Let us know what Mr. Ranga Iyer says about economic planning.

Mr. C. S. Ranga Iyer: I hope to hear what my Honourable friend will have to say about economic planning. I am now concerned with an

[Mr. C. S. Ranga Iyer.]

Economic Advisory Council and I do not want that the Economic Advisory Council should be a reproduction of the Railway Advisory Council. I want an Economic Advisory Council which will go into the question of planned economy on which Diwan Bahadur Mudaliar will, as I find him poring over great volumes, if he has an opportunity to speak, speak eloquently. We know the opinion of the Honourable the Finance Member on this subject. I may straightaway say, Sir, that in our country situated as we are, we cannot have much of economic planning or a planned economy without planned money. We have no financial control and I do not want to go today into the question of the ratio, but that has a great bearing upon this matter. And in this connection I may make a present to Honourable Members of what a student of this subject, Sir Montagu Webb, has written. He has written some most unkind things about the Honourable the Finance Member himself in "India's Plight". He says:

"The Zoological Gardens contain no animal more stubborn than a Government Department, when called upon to correct a blunder and change to the right direction I listened most carefully to the Finance Member's final defence of the 1s. 6d. Clause. As a clever effort in the gentle art of trailing the red herring, it won my unstinted admiration. But it contained not a single sound argument in favour of 1s. 6d. The final appeal to consider the pathetic condition of the poor labourers in the fields, who, it was asserted, would not benefit by a single pie, even if the rupee were de-rated to 1s. 4d. was completely nullified by the subsequent admission that those who fed the labourers, and lent money to ryots, zemindars and others, had not been able to recover what they had lent,—had, in fact, acted as 'shock-absorbers', whose sufferings and losses Government would have seriously to consider!"

Sir, I do not want to take this occasion to dwell on planned money though it may be absolutely relevant, because that is the foundation of planned economy. But it will be admitted that unless and until the Government revise the ratio on which much has been said, there can be no economic recovery, there can be no encouragement of our exports, and there can be no fairness to our people, whether industrial or agricultural.

The Honourable the Leader of the Opposition referred to the difficulties arising from provincial autonomy. He said that Provincial Governments will develop industries; he forgot to say that "roads" is a Provincial subject, but when Federation comes into existence, it will be necessary for the Federation in certain of these matters to take up certain provincial questions also, as I am sure the Honourable the Leader of the Opposition no doubt recognises.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

To avoid inter-provincial jealousy, to avoid development of the nation on the wrong lines, to make one Province produce what the other Provinces do not produce, so that one Province will sell to the other Provinces and buy from the other Provinces, to avoid economic clash, there will be a good deal of centralisation necessary, and no one, I am certain, recognises this more than the Honourable the Leader of the Opposition. He was only thinking loudly whether the question of industries should or should not be altogether left to the Provinces, how far the Central Government will take it up; and I think this is a matter which will be, to avoid unhealthy competition, in the hands of the Central Government to a very great extent also in the future.

As for planned economy, about which my friend, Diwan Bahadur Ramaswami Mudaliar, interrupted me, it covers so many aspects, such as for instance, the unemployment question. Under planned economy, again, you have to take up the question whether you should develop the arterial roads in this country. I have read the Five Year Plan of Russia; I have read the British admiration for that Five Year Plan. (Interruption.) My friend, Mr. B. Das, says "Let us have a Five Year Plan". (A Voice: "Why not ten?") Mr. James says "Why not ten?" Well, it is a pity that the Honourable the Finance Member, overworked as he is, and other Members of the Government of India, overworked as they have been, did not give us during the last five years a five year plan. The best planned economy for a country situated as we are is to regulate our tariffs as our industries require and to encourage our industries as their circumstances dictate; and that is why I say when I oppose the excise duty on sugar, that it is not the right way to develop the indigenous industry. We must have an industrial plan. I would ask my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, if he has time, to tell us the story of the development of Japan into a great and mighty nation, from an agricultural country to a great industrial country. How and why? Because the Government were behind it. The Government subsidised the industries; the Government made Japan what it is and the Japanese made their Government what it is. Unfortunately, we have no financial control and without financial control you cannot have very much of money to carry out an economic plan. As it is, you can have a committee of experts and non-experts; you can lay down a programme, but how will you carry out that programme? That is a matter for which the Government alone are responsible and on which the Government alone could speak. What I want is protection for the agriculturist by building a barrier against the importation of foreign rice (Hear, hear)—that is one plan

Mr. N. M. Joshi: Burma is not a foreign country today!

Mr. C. S. Ranga Iyer: My friend, Mr. Joshi, says that Burma rice is not foreign rice today: what is today will not be tomorrow: and when Burma separates from India, there will be an opportunity for Indian rice to be protected. Then, again, I say, reduce the railway freights; and because the Commerce Department and Railway Department are under one common Member, I say they ought to know that the best way to encourage our industries and also to meet with what the Honourable the Finance Member apprehended to be the overproduction of sugar or overproduction in any other industry, the best way to meet it is to facilitate the transport of these industrial goods and industrial articles from one end of the country to the other by cheap freights. I need not dwell more upon this subject

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member's time is up.

Mr. C. S. Ranga Iyer: . . . because, as I was going to say, my "time is up"! (Laughter.)

Mr. E. Studd (Bengal: European): Sir, my Honourable friend, the Raja Bahadur, expressed himself as being disappointed with Mr. James' speech and with the extent of this motion. It seemed to me he was

[Mr. E. Studd.]

rather anxious that we should depart from the old teaching of our youth that we should learn to walk before we try to run, for it does seem to me that it is impossible to expect a complete economic plan which is likely to work, to be produced in a day or a week wholesale. Surely the only way, particularly in these difficult days, is to go step by step and learn by experience; and it is for that reason that this motion was definitely restricted to certain practical suggestions for administrative adjustments which we feel convinced will give vigour to the policy to aid recovery. It is, as it were, only the beginning of a foundation on which subsequently the economic plan may be built; and I think there has been a very large measure of agreement on those points which we have tried to stress. I was a little bit surprised when my Honourable friend, Mr. Ranga Iyer, who is usually so clear of thought and so fluent of tongue, found it difficult to understand why we had suggested a rearrangement of portfolios. But then I suddenly remembered the day on which his very fluency carried him into somewhat tangled complications when he began to talk about vertical roads, and I think if he will carry his mind back to that discussion, he will surely find there one justification at any rate for this suggestion of the reallocation of portfolios

Mr. C. S. Ranga Iyer: When I talked about vertical roads, the Honourable Member, if he exercises some little bit of his imagination, will find that I would be agreeing with him once the vertical roads develop—namely, civil aviation in India.

Mr. E. Studd: We have already had experience of cut-throat competition between railways and roads; in addition, we shall have further competition from aviation in the future. Surely the wisest way to deal with those competitions, to prevent wasteful competition and to get a wise plan that will make the various forms of transport work efficiently with each other, is to have one man in control of those various matters. My friend, Mr. Mody, said that we may have to go very much further. I entirely agree with him. I go beyond that and say we certainly shall have to go very much further, but it seems to me that it is wiser to make a beginning on certain practical things which can be done now and on which we can get a very large measure of agreement. It seems to me, Sir, that this is a matter which has nothing to do with the Reforms. I do not think it can possibly be held that such alterations ought to be deferred until after the Reforms have been introduced. It is the belief of our Group that these alterations will make for definite improvement now, and that is all the more reason why they should be done before the Reforms are introduced, so that those Reforms may have a better chance of functioning; for, Sir, time is, in our opinion, the essence of the contract. We are very strongly of the opinion that these points should be given immediate consideration, and that, as soon as possible, steps should be taken, so that, where alterations are required to meet the altered conditions, they can be put into effect without undue delay.

I welcome my friend, Mr. Hardy's delightful and interesting speech and his assurance that the tariff tangle was really being taken in hand, and it seemed to me, as he was describing some of the difficulties of watching the effects of various altered duties, that he was producing about as good an argument as could be made for the strengthened and enlarged Tariff Board, for which my friend, Mr. James, asks.

The Honourable the Finance Member in his speech said that industrialists themselves should take an active part in the industrial development and that they should not leave the whole burden to Government. With that, I think, every one will agree, but I think it is up to Government to provide the machinery whereby the activities of industrialists in that direction can be given effect to speedily and effectively. I should like to give an illustration which has come within my own knowledge. In another portion of his speech, the Finance Member referred with satisfaction to the figures of the export of Indian tea, and he stressed the increase of exports to the London markets. I should be the last person to belittle the value of that market or of that increase, but I would beg the Government not to forget that there are outside markets which are as important to the industry in India as the London market. In some ways they are of special importance, because, if they cannot obtain their requirements in India, they do not go from there to London to buy their tea, but they go to India's rivals,—Java and Ceylon.

Now, Sir, reference has been made already, in the course of this debate, to the disability under which Indian tea going to New Zealand has to compete. The position is that Empire tea got a preference of 3d a pound *plus* a surcharge of 9/40ths. That was the position until some time in the latter half of 1932. Ceylon was then, as I understand, as a result of the trade agreement, relieved of having to pay the surcharge, so that at the present moment Ceylon tea is at an advantage as against Indian tea by something between 1d and three farthings a pound. For the last two years this question has been under discussion, and continuous representations have been made on the subject to try and get that disadvantage removed. It is a disadvantage which in some ways reacts particularly on the Indian tea grower in Northern India, because all the tea that goes to New Zealand from Northern India comes from the Calcutta market, and not from the London market. The Indian trade has been gradually built up during the last two or three years, and actually last year the shipments were something in the neighbourhood of two and half million pounds. Ceylon has naturally made strenuous efforts to get that trade back, and has actually sent a Trade Commissioner down to New Zealand with ten thousand pounds in his pocket to spend in trying to recover that trade, in other words, to get the Indian tea replaced by Ceylon tea. Now, Sir, I do suggest that if there had been in operation a Tariff Board of the nature outlined by Mr. James, it would not have taken two years to deal with that particular case. The surcharge has still not been removed; no agreement has been come to, and the Indian tea grower is still labouring under that difficulty, and the impression in tea circles in New Zealand is quite definite, that it is India's fault and not New Zealand's fault that that extra duty has not been removed. Now, Sir, I quote that as an illustration of the necessity for rapid decisions, rapid alterations, if constantly changing conditions are to be met before trade suffers.

I am glad to find that a great majority of those who have spoken on this motion have welcomed it and have given us their support.

4 P.M.

I should only like to repeat that these are points on which we feel strongly, and we hope that we shall get from Government a definite assurance that these matters will be taken into consideration immediately, so that we may not have to consider pushing the matter further. I do not think, Sir, that there is anything else that I have to say at the moment.

[Mr. E. Studd.]

had hoped that I might have an opportunity of speaking before the Commerce Secretary in the hope that I might get something from him about New Zealand tea.

The Honourable Sir George Schuster (Finance Member): Sir, I should like to associate myself with those who have expressed their appreciation of the fact that this subject has been brought before the House and of the very able speech made by my friend, Mr. James, in supporting his motion. I feel that we have had an interesting discussion and one which has certainly been of value to the Government, and I think that the more constructive thought is given to the whole range of subjects which have come before us today, the more they are discussed in the sort of atmosphere which has prevailed today, the better it will be for the public interests of India. Sir, I would like also to make an admission at once, and that is that we have got to adjust ourselves, the Government must adjust themselves, to the changing needs of the times. I entirely agree with what was said on this point by my Honourable friend, Mr. Mody. The role of Government in giving direction to economic policy is a very different one today to what it was before the War, and every day new needs are coming upon us for taking an active part in directing policies which were formerly left to develop on their own account under what was then a generally accepted policy of *laissez faire*. But if one makes those admissions, and even if one includes in making them some implication that a change may be necessary even now in the machinery of the Government of India, I think it is also of value to ask Honourable Members to cast their eyes back to what the record of the Government of India has been. We naturally in this House listen mainly to criticisms of this Government, but after all most of the speakers are Indians, and, for better or for worse, this is their Government, and I would suggest to them that it is sometimes desirable that they should appreciate their merits and the things which they have done. Let me take just three examples.

The Tariff Board about which we have heard so much—that organisation has been a remarkably successful piece of machinery. When it was started, I think we may fairly describe it as a bit of pioneer work. Other countries had not got an organisation of that kind, and I can certainly tell Honourable Members when we discussed the general policy and the conditions in our country with representatives of the dominions and even of the British Government at the Ottawa Conference, there was a general opinion that India had done very well with her Tariff Board and that that was a piece of machinery which they would be very glad to have and to imitate, and I think that the recent organisation which has been set up by the British Government has been to some extent modelled on the Indian Tariff Board. In making that remark, I should like to take the occasion of paying a tribute to the predecessor of my Honourable colleague, Sir Joseph Bhore, because if the Tariff Board has done well and achieved a good reputation, I believe it was very largely due to the traditions of work which were started by Sir George Rainy. (Applause.)

Now, let me take another example. When we came to discuss economic affairs at Ottawa, every Government was very much put to the test, and it was easy then to see which Governments of the dominions had prepared their case well, which Governments were able to take a useful part in the discussions. I have often told the House and repeated it on other occasions, that one of the things that impressed me most at Ottawa

was the credit which was won by the Government of India's Delegation. It was generally admitted, I know that the British authorities felt that, that our case was better prepared than the case of any other dominion, and that the representatives—and they were mostly Indians—whom we were able to put on to the various Committees took a most useful part in all the discussions. Our credit stood very high, and I think that reflects well on the machinery of the Government of India.

Then, let me take a third case. Recently, as Honourable Members know,—the House will be discussing it next week,—we had to take action to deal with what I think I may fairly describe as a menace, which has gradually been appreciated in many parts of the world,—the menace of Japanese competition. I think the general impression, certainly in England, is that the Government of India were the first Government really to take a lead in that matter, and I know that the action taken by my Honourable colleague, Sir Joseph Bhore, in that matter was very gratefully looked to as an example by people in England who were anxious that the British Government should act on similar lines. The Government of India were not slow to meet a need of that kind; in fact, as I say, they have really given a lead to other countries. So that, although we may recognise that our machinery is open to criticism,—and what human organisation is not? I think, in spite of the defects, taking a broad view of the situation the Government of India's record is not one of which Honourable Members who are Indians need be ashamed.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

One point that has been raised in this debate is the question of the redistribution of portfolios. I have listened to the arguments, and, as one who admits the need for thinking in advance of all the problems that are likely to come upon us, the only conclusion that I can draw from those arguments is that a mere redistribution of portfolios will not meet the need. The only thing that would really meet the need would be to increase the number of portfolios, to increase the number of Executive Councillors. Now, Sir, if I might express a purely personal view, it is this. We certainly are over-worked, we certainly don't have as much time as we ought to have for thinking out in advance problems which are likely to arise. And, as a purely personal opinion, I think that if the public of India were to desire and to achieve an increase, let us say, of half a dozen Executive Councillors, always provided, of course, that in increasing the quantity you can maintain quality, I think it would be a most excellent investment. But, Sir, it is quite clear that that is not an interpretation of my Honourable friend's point which is likely at least to command unanimous support in this House. Let me take some other points that have been made. Very much play has been made over the possible conflict of interests between my Honourable friend, the Member for Industries and Labour, when he functions as a Member for Industries and when he functions as a Member for Labour. I think that argument is based on a certain misconception. After all, in the case of every important matter of policy, there must be many conflicting interests which have to be taken into account, and, in deciding the policy, the conflicting interests must as best as possible be reconciled. But that is the task of the Government. The mere fact that in a particular Department two aspects of the matter may have to be considered is not necessarily a disadvantage, and I would point out to some of those who have dealt with this point that the arguments of various speakers

[Sir George Schuster.]

have been mutually contradictory on this matter. The interests of industry and the interests of labour are two facets of one problem which may arise where questions dealing with industry have to be considered. The interests of roads and the interests of railways afford another example of two facets of the same problem which may arise when questions of communications and development of transport have to be considered. Yet, in the one case, Honourable Members say it is absurd that these two facets should have to be considered by the same man; and, in the other case, they say the fact that these two facets have to be considered by different people is a fatal flaw in our present organisation. That is not a mere debating point and what I desire to put to the House is this—that the thing that really matters is that when any programme comes up before the Government, and when any policy is being decided, it is necessary that the problem should be viewed as a whole, that all the facets of the problem should be taken into account and that the Departments of Government which are dealing with the problem or one part of it should not ignore the other parts and that the Government should function as a united whole. In that respect, I do think that we have made very great advances recently. We have had recently much more difficult economic problems to deal with than formerly, and we have realised that, when one question comes up, it almost always involves a number of different Departments. Hitherto, in the ordinary machinery of the Government of India, there had not been easy opportunities for joint discussion, between Departments, of cases that are still in an undeveloped stage. Cases were discussed jointly when they came up before the Executive Council as a whole and then it was only on certain occasions that cases were brought before the Executive Council. Now, in view of this need for joint discussion and the consideration of each economic problem as it arises as a whole and of considering all its facets together, we have started the organisation of an Economic Sub-Committee of the Executive Council which enables us to get together and consider matters before they have reached their final stage. That is really a very great advance. But there is another and still more important point—and it has been touched upon by my Honourable friend, the Leader of the Opposition,—and that is this. There is another factor in our present organisation which is likely to create obstacles in the way of economic planning for India as a whole and is likely to lead sometimes to problems being considered only from one side and not from the point of view of the interests of India as a whole, and that is the division of authority between the Central Government and the Provincial Governments. And, however, much one may support the idea of provincial autonomy, however much one may recognise that the Central Government should not interfere with the proper development of responsibility by the Provincial Governments, I think one of the great dangers of the future is that with the growth of provincial autonomy and of greater responsibility on the part of the Provincial Governments, problems may not be considered from the point of India as a whole. There will be a strong centrifugal tendency, there is already—I am afraid one must admit—on many occasions a strong centrifugal tendency, and we have felt that that is one of the things which must be guarded against in the interests of India and particularly if India is to have any sort of planned economic policy. In that respect also, we have been very active, particularly during the last year or 18 months. On every possible occasion we have tried to get the Provinces together in conferences with us, so that these problems may be considered from the point of view of India as a whole.

An important attempt in that direction was the organisation of the Imperial Council of Agricultural Research; but, apart from that, we have, whenever important problems have come up, tried to tackle them by way of conferences. We had last summer a very important Conference on rail and road developments. We had a Sugar Conference. We have just had here in Delhi a Conference of Co-operative Societies, and we are shortly to have in another two or three weeks a very important Conference with provincial representatives on the general economic position. I do not think any one can criticise the Government of India for not having tried to tackle that possible difficulty in the way of achieving a policy of planned economy, and I would ask my Honourable friend, who moved this Resolution, to appreciate how limited the powers of the Government of India are in this matter by the fact that, in almost every field of direct economic activity, the real power rests with the Provincial Governments.

Having said that, I do not wish to leave my Honourable friends on the right under the impression that we do not think there is a great deal in some of the points which they have made. I think that, in order to make clear to them what the views of the Government of India are on this matter, I may conveniently read a paragraph from a letter which has gone from the Department of Industries and Labour to all Provincial Governments recently on this question of co-ordinating machinery for road and rail transport. The letter is a recent one, which was dated only the 23rd February. One paragraph runs as follows:

"It appears to the Government of India that it is most desirable both at the centre and in the provinces to have all subjects dealing with transport and communications placed under the control of one member of Government. Not only would this arrangement facilitate the formation and deliberations of the Central Transport Advisory Council"—(a topic dealt with in this letter),—"but it would make for a more coherent policy of control and development. It is the intention of the Government of India to investigate the possibility of such a redistribution of subjects among the portfolios of the members of the Government of India as soon as a convenient opportunity presents itself and they would strongly commend a similar investigation to the Local Government and the adoption of the proposal as far as circumstances and the constitutional position permit."

That, Sir, will satisfy my Honourable friend, that at least we are taking action on that matter and that, as soon as a convenient opportunity arises, that will be most seriously considered. Honourable Members, of course, appreciate that at the present moment, with constitutional changes hanging over us, the decision on this question is not so easy, and I am sure they will also appreciate that a convenient occasion must be chosen for a change of that kind. Taking away work from one Member who knows it well and giving it to another Member who does not, is apt to produce dislocation and militate against the objects which my Honourable friend has in mind. But as soon as a convenient opportunity occurs, it is definitely the intention of the Government of India that the question of this change should be taken up.

The only other point with which I wish to deal is the question of an Economic Advisory Council. I think the experience of other countries in this matter throws a good deal of light on the subject. We have been asked to set up an Economic Advisory Council, because every other country, or a great many other countries have done it, and Honourable Members are fully acquainted with what has been done in other countries, because very complete information on that was given by Sir Arthur Salter in his recent report. My Honourable friend, Mr. Mody, told us the other day that we

[Sir George Schuster.]

must take a leaf out of the book of His Majesty's Government and set up an Economic Advisory Council as they have done. Well, Sir, that Economic Advisory Council was started in England with a certain amount of flourish of trumpets, I think in 1930 or at the beginning of 1931. According to my information, that Economic Advisory Council has not had a single meeting since the year 1931.

Mr. H. P. Mody: It has got a staff which is functioning all the time.

The Honourable Sir George Schuster: Yes, I am well aware of that, and it is very interesting to follow out that particular development. Every one, I think, will admit that it is much easier to find in a country like England men of the right quality and experience to serve on such a Council than it would be in a country like India, where, first of all, the choice is necessarily more limited and, secondly, the difficulties of distance are so much greater; yet, even in England, it has not been found that the Council as a whole is a practical instrument of any value. On the other hand, as my Honourable friend points out, the secretariat of that Council has been used a great deal. It happens that the Secretary of the Council is an economist of very high standing and a man of exceptional qualities and I believe that he has been personally of very great use to the Prime Minister. And this seems to show that a permanent small secretariat may be of value, but that the occasions for using a large Council do not often arise.

Now, I think that that has been almost the identical experience of every other country which started one of these Economic Advisory Councils: and if that is the general experience, then one ought to be able to discover some cause—there must be some fairly obvious cause—why experience in every country has led to the same conclusion. And, indeed, I think the cause is not difficult to find, and the cause is this, that, when you take up important questions in the economic field, you immediately come up against questions of policy; and questions of policy must be decided by the Government themselves. If the Government have an Advisory Council—and that Council probably, as a matter of fact, will be very divided in its opinions—and that Council puts up opinions which are inconsistent with the policy of the Government, possibly a policy on which that Government have been returned by the electors, then the Government must reject such advice, and no Council of that kind can maintain its authority in the country or really perform useful functions unless its advice is always taken or practically always taken. Therefore, for a Government to set up an Advisory Council of this kind tends either to be a matter of mere eye-wash or to involve the relinquishment by the Government of their own responsibilities, in perhaps the most important part of the field of those responsibilities. So that there is a real difficulty in the way, I think, of setting up an organization which would perform the sort of function, which Honourable Members who have spoken in support of this motion have in mind, or which would be of the value which they anticipate. But having said that, I do not want the House to understand that we think that nothing should be done. As a matter of fact, our own plans in this respect are not yet fully matured, and, as Honourable Members know, we are awaiting the report by the two economists, Professor Bowley and Mr. Robertson, which

we hope to get very soon, before we finally decide what we are going to do. But already, as I told the House the other day, we have taken some steps. We have set up a central statistical and intelligence bureau at headquarters and the question really is what the next steps should be.

Now, I fully admit that what is necessary in the conditions to which every speaker referred—the conditions of the increasing need for some sort of planning and the conscious direction of Government's policy to that end—one must admit that if Government are to take action of that kind, they must have the fullest information as to their own position. They must be able to put their finger on the economic pulse of the nation at any moment, and they must have at their disposal people of the right qualifications not only to watch the situation, but to sit and think and work out plans or analyse problems. It seems to me—and here again I am only expressing at present an entirely personal opinion—that if Government are to be adequately equipped for these needs, that indicates the first step at any rate which ought to be taken. The first step is to improve our statistical organization and, as I have said, to have at our disposal economists, and possibly also men of practical experience, who will be available to do the thinking out on any question that arises. Honourable Members have referred to the need of bilateral trade agreements. Now, when a case of that kind comes up and any agreement as between two countries has to be made, it requires a tremendous amount of study, scientific study and thought to see in respect of what articles an agreement could be made, and to assess what would be the reactions of an agreement of that kind on the country's economic relations with other countries. I am sure, we should all agree that it would be a very welcome assistance to us to have an adequate organization for dealing with these matters. Experience during the last two years has shown the need of such a special organization, for the tackling of these problems has meant taking officials very often from their daily tasks—and it has also meant a great deal of work for the particular officials—in order to work on these special problems, in a way which sometimes has reacted unfavourably on the possibilities of their performing their normal administrative duties. On those lines, undoubtedly something is required. I might go on from that and, again expressing a purely personal opinion, I would say this that I fully recognize the advantage of having some sort of Economic Advisory Council in the sense of having a body which would satisfy the public that it was properly represented in the discussion of these problems. But so far as the Central Government are concerned, I do feel that there would be the greatest difficulties in providing a Council which will be able to devote sufficient time to afford really useful service.

My Honourable friend, Mr. James, said that he was very modest in his proposal and he would suggest only a Council of fifteen men. Well, I should like him among his own Group to set up a little Selection Board and start selecting his team of fifteen men and see what sort of a list he produces. I suggest that that task would be even more difficult than the task of selecting an all-India cricket team for test matches. And when he has formed his team, will he ask himself how many of those men, if they are really valuable men, are men who would be able to run up at any time all through the year from their place of business to Delhi or Simla, men who would be able to devote a large portion of their time to this work, because unless they are ready to do that, the whole thing becomes a wash-out and completely useless? Will he also ask himself how many of those

[Sir George Schuster.]

men are not already committed publicly to opinions either on politics or economics which are inconsistent with the definite policy of Government? And then let him ask himself what would be the result when we start discussing with them a particular economic policy. I think if my Honourable friend sets himself that practical task, he will realise what are some of the practical difficulties in this matter. I am, of course, continuing to express personal opinions. My own view is that as a first step in this direction it might be extremely valuable if Provincial Governments would set up Provincial Economic Advisory Councils. The task for Provincial Councils would be considerably easier. One knows, of course, that a step is already being taken in that direction by the Governor of Bengal. It will be very interesting to see how his Council works. It seems to me that if the Provincial Governments would make the first start, then valuable experience would be gained and possibly out of the personnel which would serve on the various Provincial Committees some sort of an All-India Advisory Committee might usefully be constituted.

To sum up then the view of the position which I have put before the House is that so far as the Central Government are concerned, the first step should be the setting up of a small organisation to help the members of Government in working out their own policy. As a second step, Economic Advisory Councils may usefully be set up by the Provincial Governments, and, as a third step, arising out of that, possibly a Central Advisory Council may usefully grow.

I think that I have covered all the main subjects which have been dealt with. I trust that I have given some satisfaction at least to my Honourable friend, Mr. James, whom I should like to thank again for having in a sense taken up my own challenge in my Budget speech and brought this subject up for further discussion.

Mr. F. E. James: Sir, I should like to acknowledge in the first place the co-operation which this discussion has received from different parts of the House and from representatives of various Parties. I must confess that I was most disappointed with the outlook on our proposals evinced by my Honourable friend, the Leader of the Opposition. His attitude reminded me of the attitude of an elderly gentleman in a London Club to a young man who burst into the room and said "I have got a magnificent idea". He looked up from his newspaper and asked him if the idea was a new one. He said "Yes". Then said the elderly gentleman: "I do not want to hear it" and went on with his paper. A person who has a closed mind to new ideas can never be a Leader of a great Party and certainly can never lead a big Party, and I do suggest to my Honourable friend that, in a world that is changing daily and when the impact of new ideas cannot be avoided, he should have a more receptive mind to some of these rather tentative proposals.

Sir Abdur Rahim: Will you come to this side and lead us? You will then find out your measure. (Laughter.)

Mr. F. E. James: If my Honourable friend could be influenced by some of my ideas, I should like nothing better.

Now, Sir, as far as the four main points which we stressed in my opening speech are concerned, much has been said by Members of Government and by Members on different sides of the House. We still feel that a redistribution of portfolios on the lines we suggested will make for saving of time in the consideration of problems, will make for greater concentration on allied problems and will make for more planned development. I understand that the position is that when an opportunity occurs, there will be a reshuffling of Departments. The difficulty is that we have to wait for that opportunity to occur and nobody particularly wants it to occur in the near future as far as the personnel of the present Cabinet is concerned. Our difficulty is that there is no general change such as takes place in a Ministry in a self-governing country when one Ministry goes out and another comes in. And when a change occurs, it generally occurs as far as one holder of the Executive Councillorship is concerned. Therefore, it means that those who remain in the Council have to undergo the disadvantage and the disability of having to learn new jobs. Whatever may be the case and whenever the change does take place, I am perfectly sure that those Members of the Cabinet, who today hold important portfolios, will not let precedent or departmental prestige stand in the way of a redistribution if the Government feel at that time that such a redistribution is essential.

Now, in the second place, I want to refer for one moment to the second proposals which have been made regarding the tariff. I should like to acknowledge with thanks what my Honourable friend, Mr. Hardy, has said, and I would once more like to say that throughout our proposals we have uttered no word of criticism of the Tariff Board. There seems to be a persistent and misguided feeling in certain quarters of this House that we were criticising the present Tariff Board. Nothing was further from my thought. Our whole point is that the Tariff Board by its present work has proved to be such a useful body that we are anxious to make greater use of it. We wish to make it more flexible and stronger and to give it wider powers and enlarged jurisdiction. I think that is a proof of our faith in the work of the Board up to the present. As far as the Economic Advisory Council is concerned, I understand from the Honourable the Finance Member that he agrees with the first part of our recommendation, namely, that there should be a permanent, small economic staff, studying problems from day to day without having the necessity of dealing departmentally with them, immediately. The Honourable the Finance Member referred to England's experience, and my own information confirms what he says, namely, that the larger council has been of little avail. There are various reasons for that, but I would like to put before him two reasons which make a difference in the case of India. The first is that in England you do have a responsible Government, and that men are returned to power on a definite mandate with definite instructions from the electorate. The position here is different. Here you have an irresponsible Cabinet, which may be responsive but is not responsible and does not, therefore, change from time to time according to the weight of public opinion on certain policies. One of the reasons why we feel that it is necessary to have an Advisory Council is this very fact that the Government in this country and their executive are irremovable. There is, therefore, all the greater need, in order that it may remain in touch with outside opinion in industry and commerce, to have some sort of machinery of the kind we have suggested. Then, Sir, the other reason why I consider that there is a difference in the position here and in England is that in England the problems of commerce and industry are highly concentrated. England is a small country highly

[Mr. F. E. James.]

industrialised, whereas the position here is entirely different. India is a huge country which is mainly agricultural and is split up into Provinces and States. As I hinted in my opening speech, we feel that there is a genuine need—and will be so in the future—for some co-ordinating advisory body which will help to relate to the Central Government the experience of the Provinces throughout the country.

My last point is the question of commercial treaties and I am very grateful indeed to the Honourable the Commerce Member for the information which he gave to us on this subject. I would remind him that there never was any suggestion in our proposals that there should be an immediate and wholesale revision of the treaties. He seemed to suggest that it was up to us to point out to the Government where there were in existence today any treaties which were operating as a hardship to India's interests. I suggest to him most pertinently that it is the Government's first duty to know for themselves without any prompting from without wherein India's interests really lie. I would go further and say that, although I have not time at the moment to put my Honourable friend in touch with certain treaties which do today operate as a definite hardship against India, some of them will have the effect of hampering India's trade should the question of commercial treaties with other countries arise in the near future. There is also the important question of the balance of trade. Our trade with certain countries has definitely declined, and surely where our trade with countries is declining, there is a need to revise our relationship with those countries in order to secure the maximum possible benefit from any general recovery in trade and to be equipped to bargain with them when they are willing to bargain with us.

I have nothing more to add. We do not wish to press this motion to a division. I said at the very beginning that what-*ever* contribution we made was made not in any critical spirit, but in a constructive spirit. We certainly should not be able on a motion of this kind to contemplate a censure upon the Government. But we do strongly feel that these are matters that merit the serious and earnest consideration of the Government and indeed of the whole country. If the debate has served no other purpose, I trust that it has given the Government at least the impression that there are people in this House who themselves are thinking over these problems who have definite suggestions to offer and who expect the Government to consider them in the spirit in which they are made. (Applause.) Sir, I beg leave of the House to withdraw the motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Is it the pleasure of the House to give Mr. James leave to withdraw his motion?

(Leave having been refused.)

The question is:

"That the demand under the head 'Executive Council' be reduced by Rs. 100."

The Assembly divided:

AYES—4.

Azhar Ali, Mr. Muhammad.
Das, Mr. B.

Mahapatra, Mr. Sitakanta.
Thampan, Mr. K. P.

NOES—43.

Abdul Aziz, Khan Bahadur Mian.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.
Anklesaria, Mr. N. N.
Bajpai, Mr. G. S.
Bhore, The Honourable Sir Joseph.
Chatarji, Mr. J. M.
Clayton, Mr. H. B.
Cox, Mr. A. R.
Dalal, Dr. R. D.
Darwin, Mr. J. H.
Dillon, Mr. W.
Fazal Haq Piracha, Khan Sahib Shaikh.
Graham, Sir Lancelot.
Grantham, Mr. S. G.
Haig, The Honourable Sir Harry.
Hardy, Mr. G. S.
Hezlett, Mr. J.
Irwin, Mr. C. J.
Ismail Ali Khan, Kunwar Hajee.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Metcalf, Mr. H. A. F.

Mitter, The Honourable Sir Brojendra.
Mujumdar, Sardar G. N.
Mukharji, Mr. D. N.
Mukherjee, Rai Bahadur S. C.
Noyce, The Honourable Sir Frank.
Pandit, Rao Bahadur S. R.
Puri, Mr. Goswami M. R.
Rajah, Rao Bahadur M. C.
Ramakrishna, Mr. V.
Rastogi, Mr. Badri Lal.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Roy, Kumar G. R.
Ryan, Sir Thomas.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Sher Muhammad Khan Gakhar, Captain.
Singh, Mr. Pradyumna Prashad.
Sloan, Mr. T.
Talib Mehdi Khan, Nawab Major Malik.
Tottenham, Mr. G. R. F.
Wajihuddin, Khan Bahadur Haji.

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 73,000 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, 1935, in respect of 'Executive Council'."

The motion was adopted.

STATEMENT OF BUSINESS.

The Honourable Sir Brojendra Mitter (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning Monday, the 12th March. You have already directed that in that week the House shall sit for Government business on Monday, the 12th, Tuesday, the 13th, Wednesday, the 14th, Thursday, the 15th and Friday, the 16th.

On Monday, a motion will be made for the election of members to the Standing Finance Committee. Leave will then be asked to introduce the following Bills, namely:

- (1) A Bill to provide for the imposition and collection of an excise duty on sugar;
- (2) A Bill to provide for the imposition and collection of an excise duty on matches;
- (3) A Bill to regulate the price of sugar-cane intended for use in sugar factories; and
- (4) A Bill to give effect in British India to a Convention for the unification of certain rules relating to international carriage by air.

[Sir Brojendra Mitter.]

Thereafter, a motion will be made to refer to a Select Committee the Indian Tariff (Textile Protection) Amendment Bill. It is hoped that the consideration of this motion will be finished any time after Tuesday evening. The rest of the week will be occupied by motions for the consideration and passing of the Indian Finance Bill.

I may add, Sir, that towards the end of the week, if you are in agreement with us in considering that sufficient progress has not been made, we shall ask you to direct that the Assembly shall sit on Saturday, the 17th March.

Mr. F. E. James: Sir, may I be permitted to make one observation? I have come to learn that, in the course of my remarks at the close of the debate, I caused unwitting offence to the Honourable the Leader of the Opposition. He is an old and respected Leader of this House and an old personal friend of mine, and nothing was further from my intention. Therefore, if I have said anything which may be interpreted by him or anybody else as being unfair or unpleasant, I most unreservedly apologise to him.

Sir Abdur Rahim: Sir, in view of the statement made by my Honourable friend, Mr. James, I regard the incident as closed.

Mr. C. S. Ranga Iyer: Sir, I rise to a point of order on which I want your definite ruling. I believe that the cut motion that was moved by Mr. James on behalf of the European Group was the result of an all-Party decision; and, therefore, I should like to know whether when such an agreement is reached between all the Parties that each Party can take up a cut motion, other Parties or responsible office-bearers of those Parties are within their rights in preventing the Party which initiated the motion from withdrawing that motion.

Mr. President (The Honourable Sir Shanmukham Chetty): So far as the question of any Member of the House refusing to give his consent to the withdrawal of the motion is concerned, it is the inherent right of every Member and that cannot be changed or altered by any agreement among the Parties or even by unanimous agreement among all the Members of the House. As a result of experience what the Parties must in future do is this. Before they come to an agreement with regard to matters that they take up, they must make these subsidiary agreements also. (Laughter.)

Before adjourning the House, the Chair would just like to make one observation. From the week beginning next Monday, the House will be entering on a very heavy legislative programme, probably the heaviest of all experienced during the course of the last ten years. The House has at least four very important Bills which will immediately come up for discussion,—the Textile Protection Bill, the Sugar Excise Bill, the Matches Excise Bill and the Indian Finance Bill. In addition to these, the Chair does not know what the intention of Government is with regard to the other measures like the Princes Protection Bill and the Factories (Amendment) Bill which are before the House. Honourable

Members would have observed that on legislation there is no time-limit on speeches and very often closure has been applied. Even though the Chair felt that there has been a fair discussion, some Members who might have taken part in the debate are thereby precluded. That can be avoided if there is more co-ordination amongst the various Parties and within the Parties themselves. In view of the very heavy programme that lies before the House the Chair would advise the Parties to put their heads together and have some co-ordinated action with regard to the speakers on the various Bills. The Chair thinks that will facilitate discussion of all the measures.

The Assembly then adjourned till Eleven of the Clock on Friday, the 9th March, 1934.

LEGISLATIVE ASSEMBLY.

Friday, 9th March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

LIABILITIES REGARDING WAR LOANS.

415. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state what is the amount outstanding to be paid to the British Treasury by the Government of India on account of the remainder of the liability regarding War loans?

(b) Will Government be pleased to state what is the rate of interest the British Government are now paying by conversion of their loans?

(c) In view of the benefit derivable by conversion of loans, have the Government of India converted the balance of the War loans to carry reduced rates of interest? If so, at what rate? If not, why not?

The Honourable Sir George Schuster: (a) £16,721,003.

(b) British Government five per cent. War Loan, 1929-47, was converted into a $3\frac{1}{2}$ per cent. loan.

(c) The attention of the Honourable Member is invited to paragraph 47 of my speech introducing the Budget for 1933-34 from which it will be seen that we provided for interest at $3\frac{1}{2}$ per cent only. No payment will however be made either in the current year or in the first half of next year. Provision for payment due in the second half of next year has been made at the reduced rate of interest.

Mr. Lalchand Navalrai: Why not the first part?

The Honourable Sir George Schuster: Because no provision has been made for the payment of the first part at all.

DISCHARGE OF NINE DEPUTY ASSISTANT CONTROLLERS OF MILITARY ACCOUNTS.

416. ***Mr. Jagan Nath Aggarwal:** (a) With reference to the answers to starred questions Nos. 1128 and 1476 of the 23rd November and 22nd December, 1933, respectively, will Government please state whether it is the first instance in the history of the Military Accounts Department that the rule contained in Note 1 to Article 465-A, Civil Service Regulations,

has been applied? If not, will Government please quote previous cases and compare these cases with them?

(b) Is it a fact that in Lord Curzon's regime an officer was pronounced inefficient at the fag end of his service and retired, as in these cases?

(c) If so, did not Lord Curzon pronounce the superior officer who noticed the inefficiency so late to be unfit to hold his own office, and was not the retrenched officer reinstated?

(d) If so, what action do Government propose to take against the Department concerned when as many as nine officers have been retired all at one time?

The Honourable Sir George Schuster: (a) No. In recent times there has been one such instance in 1930. Such cases are not easy to trace and Government are not prepared to make an investigation covering the whole history of the Department.

(b), (c) and (d). On the information given it has not been possible to trace the case referred to by the Honourable Member.

DISCHARGE OF NINE DEPUTY ASSISTANT CONTROLLERS OF MILITARY ACCOUNTS.

417. *Mr. Jagan Nath Aggarwal: (a) Will Government please state whether there is a system of holding a Conference of Controllers of Military Accounts once or twice at the Headquarters of Government for purposes of selecting officers and accountants for promotion and for other matters of importance?

(b) Was the inefficiency and compulsory retirement of the nine Deputy Assistant Controllers of Military Accounts, referred to in part (b) of the answer to starred question No. 1476, dated the 22nd December, 1933, decided upon in this Controller's Conference? If not, who decided the matter?

(c) Did the individual Controllers recommend the action taken for their respective men? If not, has the action taken been determined by the officiating Military Accountant General himself?

(d) Is it a fact that the retrenchment has not been effected under the Special Retrenchment Rules? If so, why?

(e) Are Government prepared to furnish a statement showing all personal cases during the years 1932 and 1933 in which the officiating Military Accountant General took disciplinary action which is different from that recommended by the Controllers concerned?

The Honourable Sir George Schuster: (a) Yes.

(b) No. The decision was taken by the Government.

(c) Not in all cases. In three cases the recommendation was made by the Military Accountant General. The decision in all cases was taken by Government.

(d) The retirement of these officers was not ordered as a measure of retrenchment, and therefore did not come under the retrenchment rules.

(e) Government are not prepared to take the action suggested.

DISCHARGE OF NINE DEPUTY ASSISTANT CONTROLLERS OF MILITARY ACCOUNTS.

418. *Mr. Jagan Nath Aggarwal: (a) Will Government please state what the established procedure is for deciding upon the inefficiency of a Government servant and what procedure was actually followed in the case of the discharge of nine Deputy Assistant Controllers of Military Accounts?

(b) Was each officer apprised of his inefficiency in detail immediately it was noticed? If so, at what stage of service and at what intervals did this happen before the final action of forced retirement was taken in 1933?

(c) Was the explanation of each officer found to be deficient in any respect or unsatisfactory? If so, was he informed of the defect in writing to enable the officer to reform himself?

The Honourable Sir George Schuster: (a) The degree of efficiency of a Government servant is judged on the reports of the officers under whom he has served and is serving and on a consideration of any specific acts of commission or omission.

(b) and (c). Nos. 8 and 9 were retired because of definite acts of neglect of duty, and in each of these cases there was a regular enquiry in accordance with the regulations. In the case of the other seven the reason for retirement was that Government were satisfied that the officers were no longer up to the standard of work required of officers in their position. In such cases Government reserve to themselves the right to retire officers without formal enquiry if they have completed 25 years' qualifying service.

STANDARD OF AUDIT IN THE MILITARY ACCOUNTS DEPARTMENT.

419. *Mr. Jagan Nath Aggarwal: (a) Is the policy of audit and standard of efficiency required in the Military Accounts Department different from that obtaining in the other Audit and Accounts Departments?

(b) How many times during the last ten years has the Auditor General noticed that the standard of audit in the Military Accounts Department is below the mark? Was any action taken on each occasion to improve the efficiency?

(c) Are Government prepared to furnish a statement showing the number of frauds, serious irregularities and losses and writes off of stores and Government money detected by the Military Accounts Department and by the test audit carried out on behalf of the Auditor General during the last ten years, including all cases in which a large number of stores were detected 'surplus'?

(d) Will Government please state the number of military and civil officers in whose executive and audit charge the frauds referred to took place and the disciplinary action taken against them as well as against their immediate superior supervising officers?

(e) Is it a fact that in the Military Accounts Department the audit staff has generally been discouraged in the past from criticising the executive freely and have been required to propitiate them?

(f) Is it a fact that the present officiating Military Accountant General when Controller of Military Accounts, Northern Command, Rawalpindi, issued a circular to the Officers Commanding of units and formations enquiring as to their grievances against the audit staff?

The Honourable Sir George Schuster: (a) The standards are analogous in all Audit and Accounts Departments, though duties and conditions of service vary considerably.

(b) I am not aware that the Auditor General has ever in the last ten years stated that the standard of audit in the Military Accounts Department is below the mark.

(c) and (d). Government are not prepared to collect the information asked for. All important irregularities are brought to notice in the annual Audit Reports on military expenditure, to which I would refer the Honourable Member.

(e) No.

(f) I have called for the information and will lay it on the table when it is received.

RETRENCHMENT IN EACH COMMAND OF THE MILITARY ACCOUNTS DEPARTMENT.

420. ***Mr. Jagan Nath Aggarwal:** (a) Are the appointments of the Deputy Assistant Controllers Military Accounts, analogous to those of the Assistant Audit Officers on the Auditor General's list?

(b) Is the Financial Adviser, Military Finance, the appointing authority of the Deputy Assistant Controllers like the Auditor General for the Assistant Audit Officers?

(c) Do both the Financial Adviser and the Auditor General keep themselves personally in touch with this class of officers? If so, to what extent; if not, why not and to whom in that case is the responsibility entrusted?

(d) Is it not a fact that all disposals of almost all personal cases are put up by the Military Accountant General's Office for the Financial Adviser's signature?

(e) Is it not a fact that the retrenchment of 1933 has been carried out by the Officiating Military Accountant General while the permanent Financial Adviser was on short leave? If so, are Government prepared to ask the permanent Financial Adviser to re-examine the cases personally and make his recommendations as to whether the officers retrenched can be recalled to duty?

The Honourable Sir George Schuster: (a) Yes, but their duties and conditions of service are different.

(b) The Financial Adviser is the appointing authority for Deputy Assistant Controllers.

(c) The nature of the Financial Adviser's duties requires his presence at Army Headquarters, save for occasional tours. His opportunities of personal contact with Deputy Assistant Controllers, who are scattered all over India, are therefore limited. Reliance is placed on the ordinary chain of departmental responsibility.

(d) Yes, the Financial Adviser is next above the Military Accountant General in the departmental chain, if that is what the Honourable Member means.

(e) The permanent Financial Adviser was on leave when these retirements were ordered. Government are not prepared to take the action proposed as their orders were passed after full consideration.

RETRENCHMENT IN EACH COMMAND OF THE MILITARY ACCOUNTS DEPARTMENT.

421. ***Mr. Jagan Nath Aggarwal:** (a) With reference to the answer to starred question No. 1476 of the 22nd December, 1933, regarding retrenchment in each Command of the Military Accounts Department, that the nine officers in question had been retrenched in special circumstances, will Government please state the names of the officers retrenched and the special circumstances referred to in brief in each case? If not, why not?

(b) Had any of these officers asked for an open investigation into his case, and if so, will Government please state whether the officer's request has been granted? If not, why not?

The Honourable Sir George Schuster: (a) For the reasons previously stated Government are not prepared to publish the names of the officers who were retired. The Honourable Member may take it that the retirement of these officers has not passed unnoticed in the department.

(b) One of the two officers retired for disciplinary reasons did ask for an "open investigation". This request was not complied with because very full enquiries had already been made in accordance with the regulations and it was not clear how an "open investigation" differed from that already made.

GRIEVANCES OF THE TELEGRAPHISTS RECRUITED FROM POSTAL SIGNALLERS.

422. ***Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state:

- (i) whether various representations were made by the Members of the Assembly, the Indian Telegraph Association and the All-India Telegraph Union to redress the grievances of the telegraphists recruited from postal signallers;
- (ii) whether a deputation consisting of some Members of this House and a Member of the Council of State led by Sir Henry Gidney waited on the Director-General of Posts and Telegraphs on the 10th April, 1929;
- (iii) whether Government have since arrived at a final decision and, if so, whether it was communicated to the leader of the deputation; and
- (iv) if the reply to last part of (iii) be in the affirmative, whether Government will please lay a copy of that decision on the table?

(b) Are Government aware of the fact that these men have suffered the following losses: (1) loss of benefit of all services in the Postal Branch, (2) loss of benefit due to the postal revision in pay after their transfer to the Telegraph Branch, (3) loss of prospect of rising to higher appointments, (4) no hope, in some cases, of reaching the maximum in their grade, (5) consequent loss by the reduction in the amount of their pension and

(6) loss of emoluments, viz., twenty per cent. of pay which the postal signallers are entitled to in the Telegraph Branch on temporary transfers?

(c) If the reply to any of the items in part (b) be in the affirmative, will Government please state what action has been or will be taken to compensate them for their losses?

(d) Is it a fact that in the Postal Branch they had to do everything in connection with the telegraph traffic work in addition to the signalling work and after transfer to the telegraph side they have mainly to do signalling work?

(e) Is it a fact that irrespective of the number of years service in the Postal Branch, these men, when transferred to the Telegraph Branch, are placed in the same category as other new recruits from outside at the time?

(f) Is it a fact that in the Audit Department a Superintendent on promotion to higher rank is given some seniority over other direct recruits? If so, why has not a similar concession been extended to the postal recruited telegraphists?

(g) Is it a fact that a higher percentage of these men has passed the departmental examinations for promotion than those direct recruits?

(h) Do Government propose to make a liberal interpretation of the ruling for fixing seniority for promotion to telegraph mastership and to include the total service of an official as a signaller for the minimum qualifying service of fifteen years?

Sir Thomas Ryan: (a) (i) and (ii). The reply is in the affirmative.

(iii) The Director-General who received the deputation communicated his decisions to the leader of the deputation.

(iv) A copy is laid on the table.

(b) Government are not aware of the particulars of each individual case but it is possible that some at least of the men concerned may have suffered the disabilities referred to by the Honourable Member.

(c) Government do not propose to take any action in view of the fact that the men concerned were offered two opportunities of returning to the postal branch and that all those presumably who considered that their pay and prospects had been prejudiced by their transfer to the telegraph branch were, at their own request, retransferred to the postal branch.

(d) Government have no precise information but the facts may be generally as stated by the Honourable Member.

(e) Yes.

(f) The reply to the first part is in the affirmative. As regards the second part, the Honourable Member is referred to the reply given in this House to Lt.-Col. Sir Henry Gidney's starred question No. 508 on the 18th February, 1927.

(g) Government regret that at this distance of time it is not possible to collect such comparative figures as would be necessary to furnish the required information. From such information, however, as is readily available, it appears that there are at present about 195 telegraphists who have passed the departmental examination for promotion, of whom 20 belong to the category of postal recruited telegraphists.

(h) The reply is in the negative.

Extract from the Minutes of a meeting held in the Director-General's room in New Delhi on 11-30 a.m., on Wednesday, the 10th April, 1929.

PRESENT :

Mr. P. G. Rogers, C.I.E., I.C.S., Director-General of Posts and Telegraphs.

Mr. M. L. Pasricha, Deputy Director-General, Telegraph and Phones.

Mr. S. B. Sinha, Assistant Director-General.

Lt.-Col. H. A. J. Gidney, M. L. A.

Mr. Amar Nath Dutt, M.L.A.

Nawab Mohammad Ismail.

The Honourable Mr. Sherwani.

The following matters were discussed :

1. *Grievances of postal recruited telegraphists :*

The Deputation desired that either :

(i) these men should be allowed to count their previous services in the Post Office for increments, or

(ii) they should be put in charge of combined offices, or

(iii) they should be given an increment for every two years service in the Post Office.

Mr. Rogers said that he would look into the matter and see if he could make any recommendation to Government on the lines of suggestion (iii). He did not think that either of suggestions (i) or (ii) were practicable.

2. *

Note by the Director-General of Posts and Telegraphs, Item No. 1, Grievances of postal recruited telegraphists.—Of the three suggestions made by the Deputation, Government have definitely decided against No. 1 and I regret that I am not able to re-open the case.

(2) is, I am afraid, quite impracticable.

(3) is really only a modification of No. 1 and the decision on that point must also cover this one.

Mr. Lalchand Navalrai: May I know from the Honourable Member with regard to clause (e) whether it is really a fact that the persons who have been transferred to the telegraph branch are treated as new recruits and new entrants? If so, what is the justification for that?

Sir Thomas Ryan: I have already stated that the reply to part (e) is "Yes". I do not know whether the Honourable Member is aware that we are now discussing the case of transfers from the postal to the telegraph branch of the Postal Department of something approaching twenty years ago: the question whether these men should be treated in all respects as new recruits to the telegraph branch was exhaustively discussed at the time and on innumerable occasions ever since. The Government have not now again reviewed, and cannot now undertake to review, the reasons which led to the initial decision which has so often been maintained.

Mr. Lalchand Navalrai: Why not review it when there is discontent and when there are reasons given for the change?

Sir Thomas Ryan: Government feel that they must recognise some finality in these matters and they cannot go on discussing, over something approaching twenty years, the alleged grievances of staff. The staff, if they had any real grievance, had a remedy offered to them when they were offered permission to go back to the branch from which they had come.

Mr. D. K. Lahiri Chaudhury: Are Government aware of the fact that some of these employees served for ten years in the Postal Department before they were recruited from the postal to the telegraph branch and that this long period of ten years does not count, and do Government propose at least to take a portion, say, fifty per cent of their working years in that service?

Sir Thomas Ryan: Government do not propose to re-open this question, which, as I say, has already been discussed threadbare.

LEVY OF WHEEL-TAX ON MOTOR CARS AND MOTOR CYCLES BY THE DELHI MUNICIPAL COMMITTEE.

423. *Rao Bahadur M. C. Rajah: (a) Is it a fact that the Delhi Municipal Committee charge wheel-tax on motor cars and motor cycles separately for each quarter from January to March, April to June, July to September and October to December?

(b) Is it a fact that the migratory staff of the offices of the Government of India, both officers and subordinates, move to Simla generally by the middle of April, and come back to Delhi by the middle of October, i.e., they remain outside Delhi for nearly six months?

(c) Is it a fact that the staff of the Government of India have to pay wheel-tax for the full quarter April-June against their stay at Delhi for about a fortnight only in April? If so, why?

(d) Are Government aware that the imposition of the tax for the full quarter April-June entails hardship on the migratory staff (including officers)?

(e) Are Government prepared to take action so that the rules on the subject are revised with a view to taxing the migratory staff of the Government of India on a monthly basis either during their whole stay at Delhi, or during the month of April, or for six months altogether? If not, why not?

Mr. G. S. Bajpai: (a) Yes, but as the Punjab Motor Vehicles Taxation Act has been extended to the Delhi Province, the Delhi Municipal Committee are it is understood submitting proposals to the Local Government for the abolition of wheel tax levied by the Committee on the vehicles referred to.

(b) Yes.

(c) No; a proportionate charge only is made.

(d) Does not arise.

(e) Does not arise.

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

SECOND STAGE—*contd.*

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the demands for grants.

DEMAND NO. 16—CUSTOMS.

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

"That a sum not exceeding Rs. 64,35,000 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, 1935, in respect of 'Customs'."

Mr. President (The Honourable Sir Shanmukham Chetty): Before the cut motions are taken up, the Chair would like to draw the attention of the House to the nature of the cut motions. Every year, before the Budget discussion starts, invariably the Chair has explained the procedure and what motions are relevant under a particular demand; and, in spite of that, the Chair finds that Honourable Members have not attached any importance to all these rulings given by the Chair year after year. It was once pointed out by the Chair that the scope of these debates, that is, the debates under the cut motions, was limited to the administration of the existing law by the Department of the Government of India and, in spite of that the Chair finds, for instance, under Customs, one Honourable Member wants to discuss the price of salt, and another Honourable Member wants to discuss rural indebtedness. I do hope that Honourable Members, especially those who have been in the House for some years, would take the trouble to find out what rulings have been given on these cut motions and give only such motions as will be, at least by some stretch of imagination, relevant to the demands. The first motion is by Mr. Mahapatra and he wants to discuss the export duty on agricultural produce. If it is the intention of the Honourable Member to discuss only the way in which the export duty on agricultural produce is administered by the Customs Department, then he would be in order; but if he wants to discuss the general question underlying the policy by which the export duty is levied on agricultural produce, then he will be out of order. What does the Honourable Member want to do?

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Under what demand will he be in order?

Mr. President (The Honourable Sir Shanmukham Chetty): Export duty on agricultural produce would, the Chair thinks, be relevant under the Commerce Department demand, because that Department is responsible for the policy: the policy governing the levy of export duty on agricultural produce is a policy which is controlled by the Commerce Department. It will be perfectly relevant to discuss the whole policy underlying export duties on agricultural produce when the demand under the Commerce Department is taken up, but now if the Honourable Member wants to discuss the way in which the export duties on agricultural produce are administered by the Customs Department, then he would be in order.

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, I want to discuss the desirability of the abolition of export duty on rice.

Mr. President (The Honourable Sir Shanmukham Chetty): That will be out of order. That will come under the Commerce Department.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): May I point out one thing, Sir? I do not want to question the ruling which you have just given, but according to past practice such motions have always been considered to be in order. As a matter of fact, I myself remember to have raised a discussion on the policy of the levy of an export duty on jute under this very heading some years ago, and then the question of export duty on rice was discussed under this very heading just about four years back at the instance of a Member from Burma. I quite realise that perhaps such a motion might more appropriately be raised under the Commerce Department, but the ruling which you have been pleased to give now is not in accord with the past practice of this House. That is what I want to point out.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I thought that you had not given a ruling, but you had only invited the attention of the House as to the limit or the scope in regard to the speeches that might be made on this particular point, for, Sir, the Raja Bahadur's motion on Reforms could have been more appropriately taken under the Secretary of State's heading instead of the heading "Executive Council". But, I am not going into what had happened in the past. As old Members are aware,—Mr. Neogy and others and you yourself are aware of it—I thought that you only wanted to restrict the scope of the debate, and instead of going over the whole range of the policy in regard to export duty which comes under the Commerce Department, you wanted Honourable Members to confine themselves to the duty part of it, and not the policy part of it.

Mr. Gaya Prasad Singh (Muzaffarnpur *cum* Champaran: Non-Muhammadan): May I just say a word on this, Sir. On the 12th March, 1928, when the list of demands was under discussion, U Tok Kyi, a Burma Member, moved the following cut motion under the head "Customs":

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

and he said:

"The object of my bringing forward this motion is to draw the attention of the Government to the desirability and advisability of removing the export duty in general and the export duty on rice in particular."

and he began giving his statement, and he was allowed.

Mr. C. S. Ranga Iyer: It was a censure cut.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, in March, 1927, this question regarding the policy of export duty was discussed

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. As Mr. Ranga Iyer pointed out, the Chair has not given any ruling on the present occasion. The Chair only wanted to draw the attention of the House to the ruling which was given on a previous occasion

which defined the scope of these cut motions. The scope of these debates is limited to the administration of the existing law by the Departments of the Government of India. Now, that gives a general indication of the scope of the various motions, and the Chair proposes, as each motion is taken up, to rule whether that particular motion is in order or not. The Chair realises that it is very difficult to give one comprehensive ruling that will be absolutely binding. In deciding whether a particular motion is in order or not, the Chair would have to take into consideration the convenience and the rights of the House as a whole. Now, a Member who would be entitled, for instance, to discuss a particular subject under demand No. 55, should not deprive the rights of other Members by simply anticipating it and putting it under demand No. 16 and thereby claiming a right. The Chair will not allow that practice to be followed.

Mr. Sitakanta Mahapatra—No. 2.

The Chair does not propose to allow any discussion on No. 1 on the policy regarding the export duty on agricultural produce which is in order under the Commerce Department.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Will you kindly allow such items which come last, though particular notice was not given?

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair can do that.

Mr. M. Maswood Ahmad: In this connection I want to suggest one thing. In the Railway Budget, you find that the demand for the Railway Board comes first, and so all the Members get up to raise important issues. Therefore, I would suggest that in future if, say, demand No. 28 is marked No. 16, it will be easy to make suggestions and to discuss the Government policy on different matters. Sir, this important item comes very late, and has now been voted.

Mr. President (The Honourable Sir Shanmukham Chetty): Even now there is nothing to prevent the House from passing over demands Nos. 16 to 27 and take demand No. 28. They can do so if they want.

Absence of Oriyas in the Customs Department.

Mr. Sitakanta Mahapatra: Sir, I beg to move:

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

I have tabled this cut motion with a view to drawing the attention of the Government to the fact that there is not a single Oriya employee in the whole of the Customs Department of the Government of India, from Simla Hills to Cape Comorin and from Karachi to Rangoon. That the claims of a people numbering ten million or more should have been ignored in a large and important Department of the Government is a matter certainly to be regretted, but I do not blame the Government for it, because cut up as the Oriyas have been under four different Administrations, no one single Provincial Government, nor the Oriyas, inhabiting

[Mr. Sitakanta Mahapatra.]

at the tail end of any one Province, could make out a case for entertaining them in the various Departments of the Government. Therefore, there is not even a single employee in the Customs Department of the Government of India. But things have changed now, and the Government have recognised the Oriyas as a separate and distinct people. This recognition that the Oriyas are a distinct entity carries with it the responsibility on the part of the Government of India to give them their due share in the public services. The Honourable the Commerce Member may remember many intimate associations with the Oriyas and the Oriya country. We claim him as one of us. I believe, in the departments under him, a distinct people with over a crore of population will receive justice and sympathy which is due to them.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Mr. Gaya Prasad Singh: Sir, I very cordially support the motion of my friend, Mr. Mahapatra. Coming as I do from the Province of Bihar and Orissa, I may say that the Province, as at present constituted, consists of three sub-provinces, Bihar, Chota Nagpur and Orissa. My friend has advocated the cause of Orissa. I propose to refer to the case of the people of Chota Nagpur as well as the people of my own Province. None of these people have found employment in the Commerce Department, and I cordially associate myself with the views expressed by my friend, though I have my own doubts on this matter.

Mr. M. Maswood Ahmad: Sir, I also support the motion moved by my friend, Mr. Mahapatra. I suggest, Sir, that in entertaining employees in the various Departments of the Government of India, the claims of Oriyas should not be ignored in future. I may say that the claims of my Province, Bihar, have also been overlooked in this way that whenever Biharis are entertained in the services, domiciled Biharis are taken, and not the natural born ones of my province, and I want to draw the attention of the Government to this point that if qualified candidates be available and they be equal in other respects, territorial claims should be considered.

Mr. Gaya Prasad Singh: Sometimes communal and sometimes territorial.

The Honourable Sir George Schuster: Sir, the House is very familiar with this kind of topic, and I am sure it will be no surprise to my friend that I must oppose this motion. The House knows what the rules are which have been laid down by the Government of India for the purpose of securing adequate representation of various communities. We have no rules for securing proper representation of the inhabitants of particular areas in India and it would lead to intolerable complications and neglect of merit which is the chief criterion for recruitment to the public services. We will look into the matter and we will see that, where a meritorious Oriya applies for an appointment to the Customs Department, he shall receive the fairest possible consideration. Beyond that, I cannot go. I oppose the motion.

Mr. Sitakanta Mahapatra: In view of the sympathetic reply of the Honourable the Finance Member that he will consider the claims of any eligible Oriya if one is forthcoming, I beg to withdraw my motion.

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

Mr. M. Maswood Ahmad: Sir, as I am anxious to move my cut motions on demand No. 23—Indian Posts and Telegraphs Department (including Working Expenses), I do not want to move any of my motions on the demand now before the House.

Status and Salary of Assistant Preventive Officers at Madras.

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

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

So far as the Preventive Officers at Madras are concerned, the position is briefly this. We have got two cadres in the Preventive Department, Assistant Preventive Officers and Preventive Officers. There are 15 Preventive Officers in the superior cadre and 25 Assistant Preventive Officers. Among the Preventive Officers, eight out of 15 have educational qualifications, while, amongst the Assistant Preventive Officers, 20 out of 25 are qualified from an educational point of view. With regard to the duties assigned to these people, there is no distinction between the two classes, because, in the Preventive Manual, it is stated in paragraph 1 at page 1:

"Generally speaking no distinction is made in the nature of the duties allotted to them."

Sir, if the Honourable the Finance Member will send for the monthly posters assigning duties to the Preventive Officers, he will be easily satisfied that in practice also there is no distinction between the Preventive Officers and the Assistant Preventive Officers in regard to the allotment of duties and that their work is identical. Then, again, under Fundamental Rule 30, the Assistant Preventive Officers are not allowed to draw a higher grade of salary when they are acting as Preventive Officers on the ground that both perform the same duties. All these go to show that they are in practice on the same cadre, the only difference being the one class is called Assistant Preventive Officers and the other Preventive Officers. Till 1926, in Madras, there was only one cadre, and I understand that in Bombay, Rangoon, Karachi and other places, this distinction does not obtain. During the Simla Session last year, I asked some questions with regard to the new rules regarding the overtime allowance drawn by these people. Last year, the Collector of Customs, Madras, has so altered the rules that the Assistant Preventive Officers are given less overtime allowance than the superior officers. An Assistant Preventive Officer used to draw in the shape of overtime allowance on an average Rs. 65 a month, now they are drawing only Rs. 45, while the superior officers, who were drawing Rs. 75 formerly, are now getting about Rs. 90. That was a sheer injustice to the Assistant Preventive Officers in these hard days, and if my memory is correct, the Finance Member said in reply to my

[Mr. K. P. Thampan.]

question that a similar system obtained in Bombay and Karachi, and the new rules of Madras were aimed to bring them into line with it. He said, he would, however, make enquiries and let me know. Now, the Finance Member in his letter dated the 26th February addressed to me says:

"The rules differ from port to port, and are specially adapted at each port to local needs. It must be remembered that there is very considerable variety not only in local conditions, but in the actual classes of work which the staff has to perform, so that a system which is suitable at one port might be highly inequitable at another. At every port the greatest care is taken to secure a fair distribution of overtime work, and the rules introduced in Madras were merely a step in this direction."

That is explaining away the position which the Finance Member took up last time. If he sends for the rules and a report of their working, I am sure he will be satisfied as to the sheer injustice that has been done to the Assistant Preventive Officers. What I maintain is that there ought to be only one cadre in Madras also and the distribution of overtime and other privileges should be made uniform. That is a standing grievance and ought to be remedied soon.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Mr. G. S. Hardy (Government of India: Nominated Official). My Honourable friend Mr. Thampan, I understand, wishes to raise really two points in connection with this particular staff in Madras. One is the fact that we have there two classes of Preventive Officers, whereas in some other ports we only have one. The other relates to the amounts of overtime which these officers earn. The Honourable Member quoted from a letter written to him last month by the Honourable the Finance Member, supplying certain additional information which had been promised in reply to an oral question in this House. The Finance Member said there that the rules differed from port to port and were specially adapted at each port to local needs. The difference between Madras, Bombay and Karachi on the one hand, and Calcutta and Rangoon on the other, arises from two main reasons. One is that Rangoon and Calcutta are river ports situated at a considerable distance from the sea, whereas Madras, Bombay and Karachi are all virtually on the sea; they are harbour ports and all the work there is done inside the harbour.

Mr. K. P. Thampan: But what about the nature of the work?

Mr. G. S. Hardy: I am coming to that. In Rangoon and Calcutta, also, in addition to the fact that they are river ports with entirely different problems in regard to the prevention of smuggling and other matters, they are the only two ports in India at which there are large imports of salt, and a very large proportion of the preventive staff in Rangoon and Calcutta are continually employed on the discharge of salt. That is one of the main duties of the preventive staff in those two ports. Also in both Rangoon and Calcutta, the preventive staff supply what we call the examining staff to assist the appraising staff in the physical examination of goods, whereas, in Karachi and Bombay, separate examining staffs

are appointed and they are not taken from the preventive staffs. Thus a greater part of the work which is done by the preventive staff in Calcutta and Rangoon is not done at all by the preventive staff in Bombay, Karachi and Madras, whereas certain work done in Karachi, Bombay and Madras is not required in Rangoon or Calcutta, for various reasons arising from the difference in local conditions. That is why we find it more convenient and economical to have, in addition to the senior grade of Preventive Officers in the three ports I have mentioned, a junior grade to do duties like guarding gates and various other things which are not done in Calcutta and Rangoon, because they are delegated to the Port Trust staff. Thus, there is very little similarity between the work done at the two ports except in so far as the special services we maintain to stop the smuggling of arms and drugs and contraband of other kinds.

Then, Sir, the Honourable Member has raised this question of overtime fees on which he asked a question in this House. The point there is this. Our rates of overtime fees are so calculated as to give an officer who works overtime very roughly the same rate of pay per hour as he earns during the day time. It is, therefore, obviously unreasonable that an officer, say on Rs. 200 a month should be earning 15 to 20 per cent of his monthly pay in overtime fees, when an officer on Rs. 70 earns as much as 100 per cent. in overtime fees. There was a very distinct grievance on the part of the senior staff in Madras that an undue amount of overtime work was going to the junior staff and that has been set right by the rules of which the Honourable Member complained a few months ago in this House. Now, Sir, if there is any particular point on which the Honourable Member would like to have further enlightenment, I should be very glad to go through the rules with him and do my best to satisfy him that they are equitable. In view of this undertaking, I hope the Honourable Member will withdraw his motion.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, Mr. Hardy has not answered the point raised by Mr. Thampan. Mr. Hardy said that the conditions that obtained in ports like Rangoon and Calcutta were different from those obtaining in ports like Madras, Bombay and Karachi. I quite admit it. If that be the case, he has made out a case for the existence of a different kind of cadre in the latter ports. But he has still to make out a case for the existence of two kinds of cadres that we find in ports like Madras. But I find from the speech of Mr. Thampan that the kind of work that is performed by the Preventive Officers and the Assistant Preventive Officers is identical. It does not differ in any way. No doubt there is the work of guarding the gates which the Honourable Member has referred to, but that work has been performed both by the Preventive and the Assistant Preventive Officers at the same time. Further, if an Assistant Preventive Officer goes on leave, then there are no restrictions imposed by rules that only an Assistant Preventive Officer should be posted to that duty. The Preventive Officers also have been posted and are being posted to such vacancies. Hence there is absolutely no difference in the kind of work that is performed by these two cadres. The cadres seem to exist just to provide for the Eurasians or the Anglo-Indians in this superior grade. There does not seem to be any necessity for the existence of these two different cadres.

[Mr. T. N. Ramakrishna Reddi.]

I wanted to speak before Mr. Hardy spoke, so that he might answer one or two questions, but I would like to state them at present. If we go into the qualifications of the Preventive Officers and Assistant Preventive Officers, we would find that the qualifications of the Assistant Preventive Officers seem to be much higher than the qualifications of the Preventive Officers, and I wish my Honourable friend would reply to that point. If an Assistant Preventive Officer has higher qualification, then I want to ask him what is the justification for allowing him to draw a lower pay and in preventing him to be appointed as a Preventive Officer except in a few cases.

Then, there is another point with regard to the efficiency of the work. I remember having heard sometime ago the Honourable the Finance Member replying to a question that the work of the Preventive Officer is more efficient than the work of the Assistant Preventive Officer. I may be wrong, but that is my recollection. If we examine the individual cases in Madras, we find that more of the Preventive Officers have been fined and suspended and even dismissed than the Assistant Preventive Officers. On the other hand, the Assistant Preventive Officers have been discharging their duties more efficiently than the Preventive Officers, and hence there is absolutely no justification for retaining these two cadres. As these officers have been doing the same duties and as there has been no difference in the rules governing these two cadres, there is no justification for the perpetuation of separate existence. I have great pleasure in supporting the cut motion.

Mr. K. P. Thampan: I understood the Honourable Member, Mr. Hardy, to say—for I could not hear him properly—that there was a good deal of difference between the work of the Preventive Officers posted in Calcutta and Rangoon and places like Bombay, Madras and Karachi. As my friend Mr. Reddi, pointed out, he has not explained in his reply as to the difference in the work that obtains, for instance, in Karachi and Madras. If Karachi has not got two cadres of officers

Mr. G. S. Hardy: I think my Honourable friend must have misunderstood me. In Karachi, there are two cadres, also in Bombay and Madras, but not in Rangoon and Calcutta. I am at a slight disadvantage in that Madras happens to be the one port of which I have never been in charge, but I should be very glad to make inquiries about these matters and discuss them with Mr. Thampan if he will come and see me sometime.

Mr. K. P. Thampan: I am glad the Honourable Member is prepared to discuss the subject with me and I shall see if anything can be done to redress the grievances of these people as a result of that discussion. If, however, he does not comply with my request, I shall avail myself of a later opportunity to raise this subject again, and, therefore, I wish to request the leave of the House to withdraw my motion.

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

(Mr. Lalchand Navarai was called upon to move his amendment No. 26.)

Mr. T. N. Ramakrishna Reddi: What about my amendment No. 24?

Mr. President (The Honourable Sir Shanmukham Chetty): No. 24,—
Mr. Ramakrishna Reddi. Will the Honourable Member tell me how this
is in order—"Method of utilising the two annas tax on petrol" under
"Customs"? The Chair is prepared to listen to the Honourable Member.

(After a pause)

Mr. Navalrai, No. 26. The Honourable Member does perhaps want to
discuss the question in so far as it concerns the Customs Department?

Grievances of the Hindus of Sind in the Customs Department.

Mr. Lalchand Navalrai (Sind: Non-Muhammadian Rural): Sir, I do
not want to discuss the general policy of the Customs Department itself
or of the Government of India, but I want to show that there is a parti-
cular grievance of this nature with regard to the administration of the
Customs Department there, and I shall restrict myself to that.

Sir, I am glad that after all in connection with this Budget I have now
an opportunity to open my mouth; it was not fortunate for me to catch
the eye of the President though I got up several times; any way, I am not
going to make any grievance. I do know the difficulties of the Chair
also. I can discuss the general financial question in connection with the
Budget at any rate when the Finance Bill comes on, and, therefore, with
that hope, I will only restrict myself to the very pertinent question that
is involved in my motion. Sir, to make my point clear

Mr. President (The Honourable Sir Shanmukham Chetty): Will the
Honourable Member please move his motion first?

Mr. Lalchand Navalrai: Sir, I move:

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

Now I do not in the first place propose to raise any general communal
question. Be it known to my Muhammadan friends that I have got just
now nothing to say with regard to the general principles governing the
distribution of appointments as between the different communities,
it the principle of justice upon which their case is treated should also be
applied to us Hindus in Sind, and I do not want anything more. Sir,
outside Sind, Muhammadans are treated as a minority community. But
they are a minority community out of Sind, in Sind itself the conditions
are different. Sir, I do not grudge them any privileges, any rights or any
protection that should be given to the minority community. But, on the
same principle, may I ask one question—whether we Hindus in Sind are
majority community or a minority community? On that point there
can be no two opinions. Sir, I want more Hindus in the Customs
Department in Karachi.

Sir, the last Census has brought out that the population of Sind is
85,308, out of which the Mussalmans are 28,30,000, whereas the Hindus
10,15,202. Now, the House can see whether we Hindus in Sind are a
minority community or a majority community, and I would ask a direct
question, not a general one, because this restricted question will decide
the general question also. May I ask if the Commerce Department has
treated Hindus as a minority or a majority community? I think
an irresistible reply will come that it is treated as a majority community;
then I would ask, for whom are the reservations made in the Customs
Department? For Hindus? No. Things are here quite different. Sir,
whenever the question crops up in the Customs Department as to whether

[Mr. Lalchand Navalrai.]

a place should be given to a Muhammadan as being reserved for him, or it should be given to the majority community, great injustice is done. This has continued for so long. Can I not blame the Government for not doing justice to us?

Major Nawab Ahmad Nawaz Khan (Nominated Non-Official): May I ask if the Customs Department is an All-India Service or a Provincial Service?

Mr. Lalchand Navalrai: My friend wants to draw me into the general question, wherever a grievance is not only with regard to the Customs, but with regard to Posts and Telegraphs, Railways and Income-tax. I am thankful to him that he has put me this question; but on the contrary he should help me in telling the Government, as he is a favoured Member, the real facts and he should join hands with me and see that justice should be done to Sind Hindus in all services.

Major Nawab Ahmad Nawaz Khan: I want that justice should certainly be done.

Mr. Lalchand Navalrai: Sir, my grievance is a very clear one. I submit that instances are often happening in which in a Customs Office, where certain matriculate and under-graduate Muhammadans have applied and also other Hindu graduates, who, it is well known, have good intellect in Sind, it is the Muhammadan matriculate or under-graduate who gets the job, in preference to the Hindu who is of superior intellect and who is also loyal to the Government. Therefore, Sir, I ask, why should it be that while there are graduates on one side and there are non-graduates on the other side, the Muhammadans should be preferred only because they are considered to be a minority community.

Mr. Gaya Prasad Singh: May I ask if it is the contention of my Honourable friend that graduate Hindus have been passed over in favour of non-graduate and matriculate Muhammadans?

Mr. Lalchand Navalrai: Yes, indeed I have several times put questions on this subject in this House. For instance, the other day I brought out the fact that a Muhammadan matriculate was appointed a Preventive Officer directly, while Hindu graduates, and I may also say some Muhammadan graduates were passed over. Sir, my complaint is substantial, and, unless relief is given, there will be a general charge brought against Government that they are not doing justice to the minority community of Hindus in Sind.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Maulvi Muhammad Shafee Daoodi: Sir, I was glad to hear the preface with which my friend, Mr. Lalchand Navalrai, began. Really, justice should be done to all communities and I do admit that the Sind Hindus, so far as the Provincial Services are concerned, must be treated as a

minority community and they should have their safeguards in those services. But it appears to me that my friend is labouring under a confusion of thought. He should draw a distinction between the All-India Services and the Provincial Services. In the All-India Services, our sister community, the Hindus, cannot be treated as a minority. In regard to All-India questions they are certainly a majority community, and Customs as a whole is certainly an All-India Service. Therefore, so far as services under the Customs Department are concerned, the Hindus should be treated as a majority community and the Mussalmans should be treated as a minority community. (Mr. Lalchand Navalrai: "Question.") That is my view, and I think every one who will look at it from a reasonable point of view will endorse it. However, so far as I have been able to study the statistics of this Department, I find that the Mussalmans in the whole of India are certainly not getting their due share in the Department. We have made complaints off and on and I do not know whether the instance quoted by my friend of a graduate Hindu being overlooked as against a non-graduate Mussalman is correct. I do not think that cases like this might have happened unless there was no Muslim in the Department, and, therefore, the minimum qualification might have been insisted upon in the case of the Muslims, and a Muslim might have been taken who was not a graduate. Unless my friend shows that in the Customs Department as a whole, the Hindus have been treated badly, he cannot have any complaint. The complaint is that the Muslims have not been treated justly in the Customs Department, and I know it for a fact. Take, for example, the Customs Department in Calcutta. There are very few Muslims in that Department although I find a large number of Hindus in that Department. Therefore, I submit my friend's case is not correct.

Mr. Gaya Prasad Singh: Sir, during the last ten years that I have been a Member of the Legislative Assembly, as the House knows, I have never soiled my hands by mixing in these communal wrangles. The Resolution of which I have repeatedly given notice was that merit should be the sole test for entering into the public services. My own community, the Rajputs or the Kshatriyas, is not represented in any of the services in the Government of India, but I have never made any grievance of this fact, nor have I ever claimed that, because the Rajputs or the Kshatriyas are not available in sufficient numbers to stand the test of a competitive examination, they should be nominated by Government.

With regard to the question under discussion, I may say that the plan which has been proposed by my Honourable friend, Maulvi Shafee Daoodi, is a very strange one. Sometimes our Muslim friends take the plea that they belong to a minority community and as such they not only want representation according to the numerical strength in the population, but also a sort of weightage and some additional advantage. But, in Provinces where they are in a majority, they ought in fairness to recognise the Hindus or, for the matter of that, any other community as the minority community. Here, my Honourable friend has tried to draw a distinction between an All-India Service and the Provincial Services, and his contention is that so far as the Provincial Services are concerned, a community which is in a minority in a particular Province ought to have a special weightage. Will my Honourable friend accept this principle which he has adumbrated in all the Departments and under all circumstances?

[Mr. Gaya Prasad Singh.]

My Honourable friend, Mr. Maswood Ahmad, has been persistently asking questions on the floor of the House as to why in the Railway Department in the North-West Frontier Province (where the Muslims are in a majority) the number of Muslim employees is so limited. Now, Sir, in the Frontier Province, the Muslims are in a majority and the Railway Department is an All-India Service. Why is it then that my friends should be asking questions in order to reserve some posts in the Railway Department for the members of their community? They must choose to take their stand on a clear understandable principle. They must choose one of two things. They must consent to recognise merit as the sole test for entering into Government service irrespective of the fact whether a community is a minority or a majority community. Speaking for myself as a Hindu, I am perfectly prepared to accept merit as the sole test for entering into Government service, and I do not subscribe to the view that the proportional representation according to the strength of the population should be the criterion for services. Sometimes my friends say that the minority community should be recognised and given the weightage more than is due to that particular community according to population, and sometimes, when a more qualified Muslim is passed over in favour of a less qualified Hindu in a Province in which the Hindus are in a minority, my friends start a quarrel and say that merit should be recognised and the Muslim should be given a preference over the Hindu. I really fail to understand this position. I have never been a communalist myself and I do not propose to be one, but I want to understand the position. (Interruption.) I am sure my record will show that I have never been a communalist and the record of my friends, Maulvi Muhammad Shafee Daoodi and Mr. Maswood Ahmad, will also show what communalists they are both inside and outside this House. However that may be, I want a clear enunciation of the position of my Muslim friends with regard to the public services. Whatever they demand, let that rule be applicable to the whole of India and to all the communities concerned, whether majority or minority, Hindus, or Mussalmans, or Sikhs. Of course, I am not referring to this particular point in the cut motion. If it is a fact, for instance, that a more qualified Hindu has been passed over in favour of a less qualified Muslim in the Customs Department in Karachi, will my friend have the fairness to stand up and say that an injustice has been done and will they join hands with Mr. Lalchand Navalrai in asking the Government to rectify the mistake? They want to take shelter themselves under the subterfuge that this is an All-India Service and that is a Provincial Service and thus they want to escape from the enunciation of one uniform principle. This sort of attitude won't do. They must stand on some clear principle.

Sardar Sant Singh (West Punjab: Sikh): The principle is "heads I win, tails you lose".

Mr. Gaya Prasad Singh: Let us all come to some agreement and let us pass some Resolution so that this wrangling may be put a stop to once for all. Let the Resolution be that the Public Service Examination, for instance, should be the sole test and criterion for entering into Government service. Here is my friend, Dr. Ziauddin Ahmad, who has educated his students in the Aligarh University, and what test has he been recognising there in his University? Only the test of examinations. The Civil

Service Examination and the Indian Police Service Examination are being held in order to judge the qualifications and the merits of the individuals with regard to the fitness for a particular service. Why should not this test of public examination be the uniform standard laid down for regulating the admission of members of different communities into the public services? There might be some exceptions where exceptional qualifications might be needed and where a particular community is absolutely at a disadvantage. But, as a matter of general application, let us have one uniform principle to which all of us might agree and which might be applicable, irrespective of any particular community, throughout the country as a whole.

Maulvi Muhammad Shafee Daoodi: I am sure you will back out of it.

Mr. M. Maswood Ahmad: Sir, I am also one of the lucky men like Mr. Lalchand Navalrai to speak on the General Budget this year for the first time, and I hope I shall be able to catch your eye at the time of the discussion of the Finance Bill and I shall be able to ventilate other grievances. This time I wish to begin by quoting a Persian verse which runs thus:

"Bahar range-ki khâhi jama mi pôsh,

Man andâz-i-qadât ra mi shandâsum".

The meaning of this verse is "Whatever garb you choose to put on, I know you, your structure, and I will recognise you". This is the case with my friends, Mr. Lalchand Navalrai and Mr. Gaya Prasad Singh. They have come this time in the garb of a nationalist, but what they are at heart we know very well. Questions have invariably been put by my friend, Mr. Lalchand, about some office on the North Western Railway, the D. S.'s office at Karachi only for the reason that a Mussalman was the Establishment Officer there and I have also put some supplementary question on the floor of the House to expose him.

Mr. Gaya Prasad Singh: How many questions have I put?

Mr. M. Maswood Ahmad: My friend, Mr. Gaya Prasad Singh, has many lieutenants like Bhaiji to ask such questions. Further, he has said that the Rajputs are not in Government service and that he does not grudge it. I say that the Hindus have practically monopolised all the Government services and so he has no ground to grudge. I will also not grudge when Muslims get a job but a Sunni does not get it, because I am a Sunni, just as Mr. Gaya Prasad does not mind if a Rajput does not get a job. If the Syed community does not get Government service I won't grudge it. This is just the case of my Honourable friend, Mr. Gaya Prasad Singh. But when I find that, in spite of my being a member of an important community, I do not get Government service, I do mind it. The figures of the Customs Department as a whole are well known and I do not want to repeat them here, but if you go through the figures of the employees of various communities in the Calcutta Customs office and in Sind, you will find that the share of my community is very low in the services as a whole. In Sind, perhaps, according to the information of my Honourable friend, Mr. Lalchand Navalrai, all the posts have not been given to the members of his community just as they are being given in other Provinces. I want to say further that in giving posts under the Government of India, the question of Provinces

[Mr. M. Maswood Ahmad.]

is not considered. Though I do not agree, but this is the policy of the Government of India which has always been said on the floor of the House. Just now, while replying to my Honourable friend, Mr. Mahapatra, the Honourable the Finance Member said that Provincial questions were not considered in connection with the services under the Government of India. They always give figures for the service taken as a whole for the whole of India.

Sir, if any community has any complaint, it is my community alone who has got a very low share. I have no objection, rather I shall be glad if my Honourable friend's community in provincial matters is treated as a minority community, but the Customs Department comes under the Central Government and here the figures are taken as a whole. I did not want to raise this communal question again although there were many motions in my name about the paucity of Muslims in Calcutta and other places. But when my Honourable friend has dragged me, I have got no other alternative but to reply. My Honourable friend from Sind referred to the case of a Muslim matriculate being given preference to some Hindu graduates.

Mr. Lalchand Navalrai: Several Hindu graduates and also Muslim graduates.

Mr. M. Maswood Ahmad: If that is the case, then there must be some particular reason for passing over even Muslim graduates and preferring a matriculate. In that case, there was no question of communalism. There was no question of favouritism to my community. Sir, what happens that sometimes graduates apply for posts carrying rupees twenty and thirty, and the officers who make the selection think that highly educated candidates will not stick to the service with the result that they will always have new hands, and that is the reason why in many cases less qualified candidates are preferred to highly educated ones. That happened in my own Province on several occasions. I had a talk with the Secretary of a school who got applications for the post of a teacher on Rs. 20 from M.As. The Secretary of the school explained to me that those candidates would not stick to the post. So there are many other reasons why sometimes matriculates are given preference over graduates. I do not know the particular case mentioned by my Honourable friend, Mr. Navalrai, but there must be some reason for giving preference to the matriculate over the head of Muslim graduates and Hindu graduates.

Another point which has been mentioned by my Honourable friend is about competitive examinations. I have often said on the floor of the House that competitive examinations are not satisfactory tests at all. (Laughter.) I was discussing this very question at the time of the Railway Budget though the Honourable the Finance Member was not present then. Here, again, I want to raise that question, and I hope the Finance Member who is now present in the House, will consider this point very carefully. In a particular departmental examination, several graduates and M.As. and LL.Bs. and B.Ts. of all the Universities, such as Calcutta, Madras, Lucknow, the Punjab and other places, appeared. The question was about drafting letters. We can

imagine that a man may not be conversant with rules and regulations, but what about drafting a letter and precis-writing? Out of 150 marks for drafting letters, about 50 per cent. of the candidates got zero. These graduates have been working in the departments for over 10 years and yet they got zero. About 40 per cent of the candidates got less than 20 per cent. Only about four candidates got over 20 per cent. of the marks and only three candidates passed in drafting letters. Lord Curzon, on one occasion rightly said that an officer who could not, during the course of ten years, judge as to whether a particular Government servant was efficient or inefficient was himself inefficient. So, Sir, this is the result of a departmental competitive examination.

An Honourable Member: Where was that examination held?

Mr. M. Maswood Ahmad: That was held recently under the auspices of the Auditor General under the control of the Finance Department. If it is the contention of the Government that these graduates are unfit to pass the departmental examinations for drafting letters, then why should not the Government come forward with a proposal to close down all the Universities. In that case, I would have no objection to hold competitive examinations. What is the use of spending lakhs of rupees on these Universities when the Government do not attach any value to the certificates issued by these Universities. If these Universities are not fit to grant certificates to students who passed the examinations conducted by them, what is the use of wasting public money on these Universities. You do not need them. If Government want highly qualified men, I have no objection if they fix that only M.As. will be taken as clerks or as sweepers of the houses of Officers. It is absurd to have a competitive examination after these candidates pass the highest examination in the Universities. With these words, I oppose the motion of my Honourable friend, Mr. Navalrai.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, I quite realise that there are some in this House who would like to have recruitment to the Government services entirely on merits. I am afraid that in a country like India, that is not always possible. I would not have stood up to speak if it had not been that a principle has been raised as to what is a minority community and what is a majority community. Sind is in a peculiar position. The Muhammadans are in a majority in that province and the Hindus can claim all the privileges of a minority community

An Honourable Member: What are those privileges?

Sir Cowasji Jehangir: That they should have a certain percentage in the Provincial Government service. What one has really to ascertain in a Province where there is a large majority and a small minority is, what are the percentages existing in the service in that Province. For instance, in Sind, although the Muslims are in a majority, I believe they are in a minority in the services. At one time it was my unfortunate duty to see or attempt to get that minority in the services decreased. Although the Hindus may be in a minority in a Province, if they happen to have a majority of the posts in that Province, I do not think they can claim the privileges of a minority community. The majority has

[Sir Cowasji Jehangir.]

certainly a complaint and the complaint is that although they are in a majority in this Province, all the posts are held by the minority community and that is a legitimate grievance once you admit that you must make distinctions.

So far as Customs is concerned, I do not know exactly the percentage in Sind between the Hindus and the Muhammadans, but, so far as my recollection goes, even in Sind, the majority of posts in the Customs are held by Hindus.

Mr. Lalchand Navalrai: Not those at the head. The posts at the top have been given to Muhammadans. I think the two Assistant Collectors are both Muhammadans.

Sir Cowasji Jehangir: So far as my recollection goes, the majority of the posts are held by Hindus, and because the Hindus are in a minority in Sind, they cannot claim that, notwithstanding having a majority of the posts, they should be given all the privileges of a minority community; that is to say, that recruitment to the services should be safeguarded so far as they are concerned. If there is a Province where the minority community is not represented in the services, I can understand their claiming certain privileges; I can understand their demanding that their minority community should have a fair share.

Mr. Lalchand Navalrai: But we are dwindling every day on that policy.

Sir Cowasji Jehangir: Wait till you have dwindled. When you have actually dwindled, then I can understand a legitimate complaint. But until you can make out that being a minority community you have been deprived of all posts in Government service and of your legitimate share, I do not think there could be any complaint. I come from a minority community, a very small community. Is it expected of me to put up a claim for my community in my Province, although my community may already hold their proper percentage of posts in Government service? How would my Honourable friends take a claim of that sort if I made it? If I have got five or six per cent. of the posts and I come forward and say that I am a minority community and you should go on recruiting from my community by giving me weightage because I happen to be a minority community, I do not think such an argument can be put forward in this House. Sir, these communal wrangles are most unfortunate and I do think that certain principles should be followed, and as long as you lay down certain principles and follow them, then there ought to be no further trouble. And I do hope that in the future such principles will be laid down clearly and concisely and then it will be left to the Public Services Commission throughout the country to carry out those principles and no such questions will be raised in any Legislature throughout India.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, it pained me more than anything else that a gentleman belonging to the race of Mr. Dadabhai Naoroji and Sir Pherozeshah Mehta, pioneers of Indian nationalism, should rise in this Hall where the representatives of the whole of India are assembled and take up the cudgels on behalf of the communalists, the Maulana and Deputy Maulana from Bihar.

Sir Cowasji Jehangir: Sir, on a point of personal explanation, I have taken up cudgels on behalf of no community. I have only pointed out the principles that ought to be followed, if they are not followed.

Mr. Amar Nath Dutt: If only my friend had waited a minute, he would have found that I was going to criticise his policy and not the policy of Maulanas and Deputy Maulanas whom we have been accustomed to know since 1907, that famous day when they waited in a deputation on Lord Minto for communal representation.

Sir, my Honourable friend, Sir Cowasji Jehangir, has been pleased to ask that certain principles should be followed which should be laid down. What principles? Sir, does the State exist for inefficient men and idlers, or does it exist for carrying on the administration in the best and most efficient manner possible? In order to have the efficiency that we desire, I think that the sole test should be merit, and not that a man who is Henry Gidney today should change his name to Azizuddin and change his faith and then get preference. I think this representation in State service on the basis of religion should be done away with if Government want real progress and real improvement in the conditions of India. It is too late in the day now to speak of religion when many of us would wish that this jarring element should vanish from human society which has retarded the progress of human civilisation for centuries, which has seen men being burnt at the stakes and women burnt at the pyre as *sati*. I think this element in human civilisation ought to vanish. But, Sir, when I find that, though he does not plead for any religion, he pleads for those who stick to certain religions in order to get the loaves and fishes of office, my pain knows no limit. Sir, I would ask my Honourable friend, Sir Cowasji Jehangir, to look to his own community, a minority community, which, by dint of merit, by dint of efficiency and also of public service, is in the front rank of all the communities of India at the present moment. Although they are the smallest community in India, they have not asked for any special representation in this House. Still what do we find? We find half a dozen of them here, six times the proportion which they might claim according to their population. And why? Because they have that patriotism, that service to humanity and that efficiency which entitles them to be here, and Sir Cowasji Jehangir is one of them.

Sir, it has been said that graduates cannot draft letters. I do not know to what University my friend was referring.

Mr. M. Maswood Ahmad: That is true of all the Universities in India.

Mr. Amar Nath Dutt: I do not claim to have any knowledge of all the Universities in this vast continent as my friend has but I can claim to have knowledge of my own *Alma Mater* and also the University of this Imperial City, Delhi; and I can assure him that there is not a single graduate of these two Universities who belongs to the category in which my Honourable friend would place them.

Mr. M. Maswood Ahmad: Ask that question of my Honourable friend, Sir George Schuster.

Mr. Amar Nath Dutt: I have been referred to the Honourable the Finance Member in matters of education. I could well have understood if I had been referred to my Honourable friend over there, Mr. Bajpai; but, instead of that, he refers me for education to the Honourable the

[Mr. Amar Nath Dutt.]

Finance Member: probably the next day he will refer me for finance to the Honourable the Home Member. That is a nice way of doing things. But I would like to know to what University my Honourable friend himself belongs—I pause for a reply.

Mr. M. Maswood Ahmad: Patna University.

Mr. Amar Nath Dutt: All right: I remember the great difficulty which we had in order to have that University's degree in a particular Faculty recognised in a particular Council, and we know its efficiency. For me to speak anything against Patna, which is the place of my nativity, is very painful, but I cannot swerve an inch from truth though I find that the products of the Patna University are of the type which my friend represents. I believe that the majority of the people of this country have come from the same stock though it may vary in some cases, *e.g.*, I belong to the Aryan stock, while you, Sir, belong to Dravidian stock; but we have lived so many centuries in this country and so long that we have almost forgotten that we come either from Dravidian stock or from Aryan stock; and whether we are Christians, or Hindus or Muhammadans, we belong to the same ethnological class—at least mostly, I submit. Very few of my friends, who claim representation according to religious faith, have come from either Persia or Arabia or, for the matter of that, from Turkey: all of us are Indians, and, as has been often said, we should say that every one of us are Hindus, for Hindu is not a generic name for the followers of a particular religion, but a name for all the people living on this side of the Indus river; and, so, if we want to have our religion appended to our race, they may be called Muslim Hindus, or Vedic Hindus or Christian Hindus; but we are all Hindus. That being so, I submit that this fight for representation in the services according to the percentage of followers of a particular faith should not be a policy which a Government should follow, far less the policy of a Government which professes religious neutrality. You are aware, Sir, that any one who is a Hindu today can easily become a Muhammadan or a Christian. If you hold out this attraction of loaves and fishes of office under the Government in the way in which my friend wants for a particular community, I beg to submit that Government will not be following the principle of religious neutrality, but will be taking upon themselves the task of proselytising for a particular religion. That is a policy, I think, which even my Honourable friend, Sir Cowasji Jehangir, will not lay down for the Government to accept, because when I remember that his community has been in India, having fled from Persia from those very followers of the very religion whom he is now backing up here in this Hall and still

Sir Cowasji Jehangir: I rise to a personal explanation: I back up no race or creed, not even my own; I back up nobody.

Mr. Amar Nath Dutt: My friend says he has backed up no community or religion: but now he is backing out of his own words. I am glad to hear that. But, even after staying for several centuries in this country, they have not changed their own religion of fire-worshipping; and how was this possible? Because of the policy of religious neutrality pursued by the Government. If the Government now pursue a policy of showing favour to a particular community on account of its religion, I say it will be an

evil day for the Government. I submit that it should be laid down once and for all as the principle of recruitment to State services that efficiency should be the sole test, and no other.

Mr. President (The Honourable Sir Shanmukham Chetty): The debate is now covering a very wide field. The Chair cannot allow a general discussion on the principle of communal representation. The discussion on this motion must be confined to the representation of the Sind Hindus in the Customs Department.

Mr. C. S. Ranga Iyer: Sir, I, am very glad you informed the House that it ought to confine itself to the very purpose with which the motion was initiated by the Honourable Member from Sind, for the ground which we were covering today had been covered during this Session on a previous occasion. One shudders sometimes to think what will happen to this country if we go the way we have been going, but the lead that has been given by the Honourable Member for Sind at any rate is an improvement in a sense, far from communalism to provincialism is an improvement; and I look forward to the day under the Federation when, instead of talking of communal minorities, we will talk of provincial minorities. That is the issue that is raised today.

In the Punjab, the Hindus are a minority; in Sind, the Hindus are a minority; in the North-West Frontier Province, again, the Hindus are a minority; and, Sir, in Bengal, the Hindus are a minority; and from this point of view I think the Honourable the Finance Member and the Government of India must think of allotting places for communities, now that communal representation has come to stay in the services. I am very sympathetic—I should say I earnestly feel for the suggestion made by the Hindu Member from Sind that also in the upper layers of the service the Hindus must have the same representation that the Muslims have in the United Provinces, for we want to settle this Hindu-Muslim problem, so far as Provinces are concerned, on the strength of the minorities in those Provinces. When we come to the Centre, even there, I believe, we have to take into consideration the strength of the minorities; for where is this communalism today in this country in its most rampant and most rabid form? It is in the Provinces in which our community claims that it is a minority. In Bengal and in the Punjab, the Hindus feel that they are a minority; in the United Provinces and the rest of the country, the Muslims feel that they are in a minority; and I would invite the Government in regard to Sind to approach this question from a provincial point of view; and as the Government themselves are not interested so far as professions go in promoting communalism, they will carry out their professions into practice by seeing to it that provincial minorities, to whatever communities they belong, are accorded their due. I need not here restate my own position in regard to efficiency that should govern admission to the provincial or other services. As for All-India Services, this particular "cut" lies in the province of the sea-coast Provinces.

I do not for a moment say that efficiency is the monopoly only of the majority community, as my friends, Maulvi Shafee Daoodi and Sir Muhammad Yakub, had truly said. In the Province of Sind, my friend claims that his is a minority community and as such they should be given the concessions that the Muslims seek elsewhere. I am certain that the Muslims will be the last people in India to deny the Sind Hindus the rights that are theirs. But, so far as possible, we should try to restrict discussions in

[Mr. C. S. Ranga Iyer.]

this House more to political and less to communal issues, and I hope the Honourable the Mover from Sind will withdraw his motion instead of pressing it to a division, whatever the attitude of the Government may be, for, in the coming days of provincial autonomy, each Province will be able to take care of itself.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): Sir, there is no doubt that the cry in the various Provinces today is "Bengal for Bengalis" and "Bihar for Biharis", etc., and now we have our friend, Mr. Lalchand Navalrai, saying "Sind for Sindhis", and through in that cry he brings into his lament another note "Sind for Hindus", a minority community, I give him my support. I do think, Sir, the time has come when all Provinces should arrange for adequate employment of all the communities in their areas but this is much easier said than done. I know the Government are faced with a very complex problem in the settlement of communal employment in the various Departments. The Honourable Member for Commerce told us the other day that Government had submitted a scheme to the Secretary of State and he hoped to make a report within a few days. I anxiously await it.

Sir, in supporting my friend from Sind, which I very seldom do, I would like to add just one or two remarks for the consideration of Government. These remarks do not apply only to Sind, but they generally apply to the entire communal problem regarding employment. Sir, India is essentially the play ground of communalism. Indeed this House is a bare garden of communalism, and if today's wrangle is to be accepted as an indicator or as a reflex of what the future Federal Chambers will be, all I have to say is "God help the future Government of India and their Chambers". It is a most regrettable thing, this daily communal haggling over service loaves and fishes, and I think Government must take this matter into their serious consideration and settle it once and for all.

To my mind, there is one solution to this problem which I give to this House for what it is worth and to which I have, on a previous occasion, briefly referred. There is no one in this House who will deny that efficiency is the *sine qua non* for employment in Government service. Now, what does efficiency in such employment connote? It connotes, today, an adequate knowledge of English. Let us now glance at the 1931 Census. Of the total population of this country, I understand there are roughly about two million people of all communities educated in English, above the age of 15. I also understand that, of these two million people, about one million are educated up to the secondary English standard or above. I take it that the employment which my friend from Sind is discussing refers to those appointments which carry a salary of Rs. 30 and upwards. He agrees,—well, for those appointments today, I think Government will agree with me, a knowledge of English at least of the secondary standard is demanded. Let us take this as our first point. Now, how many such appointments are there today in the Government of India and Provincial Governments which carry a salary from Rs. 30 up to, say, Rs. 500 per month or a little more? I am not talking of the Superior or Gazetted Services which the Public Service Commission recruit by open competition. I am dealing with the lower and upper subordinate appointments to which, I believe, my friend from Sind is alluding. From a rough calculation, I have been able to estimate that

there are about 400 to 500,000 such appointments in the whole of India and Burma. Let us take this as our second point. But what do we find? On the one hand, we have the Hindus saying that, as they form the greater majority, out of the 350 million population in this sub-continent, their employment must be on a population basis. The Muhammadans say, we form 80 millions of the total population and on this we claim our percentage and other communities make similar claims. Let me deal only with the two major communities, Hindus and Muslims. Will any one in this House deny the fact that the entire population of India is not in open competition for these jobs? Of course they are not, it is only those who are educated up to the secondary standard in English that are competitors for these jobs, and so how can we talk of securing employment on a population basis? You now come to my completed solution picture, i.e., there are 500,000 subordinate jobs and one million efficient persons in India, and since efficiency means English and efficiency is the *sine qua non* to such employment, the competitors and not the population of India for these 500,000 posts, are one million people. This is the only rational and practical basis on which communal percentages for employment can be made. I ask Government to consider this practical scheme by which they can adequately provide for all communities. My friend, Mr. Joshi, is laughing at this scheme. I am glad, he laughs, it is much better than seeing him weep, because if he received all his labour demands, they would not be competitors for these jobs, as his jobs are all below Rs. 30 per month. I am talking of the jobs which carry a salary of Rs. 30 and over per month and so I offer this suggestion for the serious consideration of the Government.

There is another way of getting out of this employment puzzle. Take the Central Legislature, as it is to be formed, or as it is formed today. Divide your communal representatives at the Legislatures into three main groups—Hindus, Muslims and European-cum-Anglo-Indians.

Mr. President (The Honourable Sir Shanmukham Chetty): Say something at least about Sind.

Lieut.-Colonel Sir Henry Gidney: I am moving towards Sind. I say, take the present Legislature and divide it into three communities, and, on the percentage representation of each group, give at its communal employment in the services. But unfortunately in that case Sind would get only one job, because there is only one Sindhi here. Sir, I do think that this matter of communal representation, so far as it applies to Sind, should receive the favourable consideration of the House and of the Government, because it does seem to me that if other minorities communities are allowed political weightage in the Legislature which *ipso facto* gives them a voice and a power to demand their communal economic protection why should the Hindus in Sind be denied that? I submit that, as a minority community, Sind should be given an economic weightage, the same as other communities are given. With these words, I support the motion.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I have every sympathy for the minority communities in Sind, and I would really ask the Government that if any injustice is being done to the Hindus in Sind, it should be removed without any delay. Sir, until the majority communities in India show a spirit of

[Sir Muhammad Yakub.]

generosity towards the minority communities in the Provinces, I am afraid, Sir, the future of the country is sealed. If we are really anxious to have political advancement in the country, if we are really anxious to show our face to people outside our country, then the majority communities in India must show the same spirit as the majority community in Egypt has shown to the minority communities there.

We all know, Sir, that when the question of the rights and privileges of the different communities was taken up in Egypt, the late Zaghlul Pasha, who was then leader of the Nationalist Muslims, asked the minority community, the Christians, to draw up and formulate their demands in detail and to put up as many demands as possible. The Christians there drew up their demands and placed them before Zaghlul Pasha. Zaghlul Pasha said: "These are not sufficient to protect your interests."

want that something more should be added in order to safeguard your interests". In that way, Sir, if we adopt the same method in this country, I think we will find that after a short time the Hindus and Muslims will live in the same spirit in India as the Christians and Muslims are living in Egypt and other countries today. Sir, I really deprecate communalism in any service of the country, and I want that communalism should be eradicated. Communalism does not mean the introduction of one community in the service of any country, but it means that the whole country or the whole department is predominated by one community. What communalism means is that a certain person is debarred from getting any post simply because he belongs to a certain community or to a certain religion.

Mr. Amar Nath Dutt: Is there any such rule in the Government of India?

Sir Muhammad Yakub: The rules of the Government of India are quite different from the practice of the Government of India. The rules of the Government of India are drawn up by one set of officers, while action on those rules is taken altogether by a different set of officers. I know that the Government of India are trying for years and years to remove communal inequalities in services. Communiqués are issued by the Government, orders are issued by the Government, but what is the result? When these orders go to those officers who are really responsible for giving effect to them, they are thrown into the waste paper basket, and the officer who is in charge of giving these posts has his own way, with the result that communalism prevails, that one community predominates over another community. As regards educational qualifications, efficiency, or otherwise, I can point out hundreds and thousands of instances in every department of Government service where unqualified persons belonging to a particular community are holding offices, while graduates and M.As. of a certain other community in spite of holding very high degrees are declared as inefficient and they are debarred from getting any service. This is communalism, and I wish that this communalism should be eradicated out of Government service.

As regards Sind, now that Sind is to be formed into a separate Province, it would be better

Mr. Lalchand Navalrai: It should not be formed into a separate Province.

Sir Muhammad Yakub: If Sind is not to be separated, then I think India's fate is sealed. Heads I win, tails you lose,—if that is the spirit, then we cannot talk of nationalism or of any advancement. So, I would submit that this is really the time when a census should be taken of all the departments and of all the services in Sind

Mr. Lalchand Navalrai: May I rise to a point of order? Can the question of Sind separation be discussed here?

An Honourable Member: You have brought it.

Mr. Lalchand Navalrai: I have not.

Sir Muhammad Yakub: I have not discussed that question, but what I say is that it is appropriate and proper that a census of the services and of the different communities holding different appointments in Sind should be taken, and immediate steps should be taken to see that any injustice is not done to any community in Sind. The minority community in Sind must get a share in all services, not only according to their numerical strength, but also they must have weightage in the services such as the minority communities are given in other Provinces. But if we find that in certain departments in Sind a certain community, in spite of being in minority, is holding nearly all the important posts or has an overwhelming majority and injustice is being done to the majority community, that also should be rectified. I will not ask the Government to remove from service those who are already occupying posts, but I would request Government that in future recruitment they must see that injustice is not done to any community. If the majority community is placed in a minority, then the orders should be that, as long the majority community gets its proper share, recruitment should be made from that community alone. In the same way, if the number of Hindus is very small in a certain department, they must get their share, not only according to their population, but weightage should also be given to them. With these words, I resume my seat.

The Assembly then adjourned for Lunch till Two of the Clock.

The Assembly re-assembled after Lunch at Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. N. M. Joshi (Nominated Non-Official): I have followed the discussion that has taken place on the motion moved by my Honourable friend, Mr. Navalrai, but I have so far found it very difficult to understand what exactly the complaint of my friend is. If it is his complaint that the Hindus are not represented, in accordance with their population ratio in the Customs Department in Sind, he should clearly say, which ratio? Is it the ratio of the Hindu community of the whole country or the ratio of the Hindu population in Sind.

Mr. Lalchand Navarai: In regard to that, I would say that in respect of new entrants the hands of the officers there, are tied down to earmark certain places for Muhammadans, whether they are efficient or not. Even when a candidate is not efficient, it has to be given to him, because he is considered to belong to a minority community.

Mr. N. M. Joshi: My point is this. If Hindus are a minority community in Sind, according to the rule laid down by Government they are entitled to certain posts being reserved. Is it his complaint that no posts are reserved by Government for Hindus at all?

Mr. Lalchand Navarai: Yes, they are not.

Mr. N. M. Joshi: I feel that it is much better if the Government of India make the principles of recruitment of services very clear. We hear several times in this House that the Government of India have reserved 30 per cent. of the new recruitment for the minority communities. I would like the Government of India to make it quite clear whether the 30 per cent. reserved for the minority communities is to be distributed over the whole recruitment or the 30 per cent. rule is to be applied to every Department. The reason why I ask this question is this, that if this rule is to be applied to every Department, there may be certain Departments where a larger percentage of recruitment may be given to minority communities. Take, for instance, the Army. In the Army, some of the minority communities get the largest share. Take the Indian Marine. There too certain communities get the largest share, and I would, therefore, like the Government of India to take into consideration the larger share given in certain Departments. I would like the Government of India to lay down their policy very clearly in this respect, because, from the replies given to questions asked in this House, it is not clear whether the Government of India are anxious to see that in every Department every community will be represented according to certain ratios. Then, Sir, I do not wish to make a speech on the principle. At the same time, I must state, in view of what certain people have said, that on the whole, it is much better for Government to give posts in Government service in accordance with the population ratio of each community. I do not see any reason why any weightage should be given to any community, and, if any weightage is to be given, at whose expense, because when a certain section of the population does not get its share of jobs, it is that section which suffers and not the whole community. This is an economic matter, and I would, therefore, suggest that if Government lay down any ratio, it should be in accordance with the population ratio of that community.

My Honourable friend, Sir Henry Gidney, has proposed another criterion for the division of jobs,—according to the knowledge of English. I do not understand what the connection is between the knowledge of English and the division of jobs. If you make that the criterion, his community will stand to gain very much, because the mother tongue of his community is English. I, therefore, wanted to know, Mr. President, whether the complaint of the Hindus is that they used to get jobs before and that now they do not get jobs at all. If that is so, I want the Government of India to consider another principle which they are following as regards the recruitment of Anglo-Indians. The Government of India have stated very clearly that they do not want to stop the recruitment of Anglo-Indians, although their ratio in certain departments of service

is very large, because it would create a sudden disturbance of the economic life of that community. If certain classes of people are accustomed to depend upon Government service for their maintenance, Government should take that fact into consideration while entirely stopping the recruitment of that community. I know that there are certain communities in this country who depend upon Government service for their maintenance in my Province. There is the Brahmin community. The Brahmin community is very largely represented in Government service. They get much more than their share. Similarly, the Anglo-Indians get very much more than their share on a population basis. At the same time, if the rule, that there should be no disturbance in the economic life of a community, is to be applied to Anglo-Indians, that rule should also in fairness be applied by Government to other communities which have so far and for generations probably been solely dependent on Government service, and I would, therefore, ask the Government of India . . .

Diwan Bahadur A. Ramaswami Mudaliar (Madras City; Non-Muhammadan Urban): Will the Honourable Member suggest some remedy by which Brahmins cannot enter the commercial sphere?

Mr. N. M. Joshi: I do not know whether there is anything by which Brahmins only could be prevented from entering any kind of occupation. What I am suggesting is that if Government make it a rule that there should be no sudden disturbance created in the economic life of a community, that rule ought to be applied, in fairness, to all people similarly situated, be it a section of the Indian community or the Anglo-Indian community.

I would like to make, one suggestion to the Government of India in this matter. The Government of India should annually publish a report giving all the details as regards recruitment to the services, as regards the position of each community in Government service, and so on, and that report should be priced very low and should be made available for almost anyone who wants it, so that these questions need not be raised again and again in the Legislature, and the time of the Legislature should not be thus wasted. The publication of such a report, even if it will cost something, with all the details that are available, will serve a very useful purpose and will not involve the waste of time of this Legislature.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): Sir, when my friend, Mr. Lalchand Navalrai, moved his motion, unfortunately I was not present, but I am thankful to my friend, Mr. Joshi, that in his speech he has replied to some of my friend's points with regard to his desire in the matter of the services in the Customs. I think, my friend, Mr. Lalchand Navalrai, will agree with me that he lives far away from Karachi, about 250 miles; in Larkana, whereas, I am living in Karachi itself.

Mr. Lalchand Navalrai: I know everything about Karachi.

Seth Haji Abdoola Haroon: The Honourable Member probably knows much better than I know about Karachi, but I have occasionally to go to the Customs Offices in connection with my own business, and I know the true position with regard to the Customs, probably more than my friend.

[Seth Haji Abdoola Haroon.]

Sir, unfortunately at present I have not got any figures before me, but I want to draw attention to the fact that in the Customs there are three major services—Preventive Officers, Examiners and Appraisers. Now, in all these three services, I think my friend, Mr. Lalchand knows very well that the Hindus are more there than the Mussalmans, and he also knows very well that at present, even at this day, the Hindus are more in number in all those upper services than Mussalmans. So I do not know what is the real complaint of my friend, Mr. Lalchand.

Mr. Lalchand Navalrai: My point is this: the Hindus are, no doubt, there in the Customs, but they are there on account of their merit only. Now, merit is not being respected, and, on the contrary, places are being made available for Muhammadans in spite of the fact that they are not so efficient or so educated, simply because they are a minority community.

Seth Haji Abdoola Haroon: Sir, I do not know how to measure efficiency. My friend can probably measure it properly, but there are certain rules in the Government Departments that for such and such a service there must be such and such minimum educational qualification: and I do not think any Government official, especially in the Customs, would possibly have given any post to a Mussalman candidate without there being any sort of merit in him.

Mr. Lalchand Navalrai: I say, yes, they have.

Seth Haji Abdoola Haroon: Well, it might quite possibly be the case that my friend, Mr. Lalchand's candidate might be an M.A. or a Senior Cambridge passed fellow, but the requirement in the Department probably is only of a matric. Therefore, if the office requires a minimum, such as a matriculation standard, then a Government official cannot be blamed for not taking a Hindu candidate who happens to be an M.A. or a B.A., and I do not think, if that is done, that it is any crime committed towards any community or any individual. Mr. Lalchand knows very well that the Hindus are already more than the Mussalmans in all these three categories of services I have mentioned. No doubt other minority communities are far in excess than either the Hindus or the Mussalmans, but, alas, unfortunately, at present, the tension all over the country is such that Hindus want to fight the Mussalmans only. If they find any post granted to Mussalmans, they immediately notice it, but if any other minority community gets far more than his share, they do not notice it! So, Sir, my complaint is this that, up till now, not only according to the percentage, but in total numbers, the Mussalmans are not represented in the services as they ought to be. Take, for instance, Preventive Officers—about three dozens. Out of them, there are hardly three or four Mussalmans. Take Appraisers—out of three or four dozens, there are hardly two or three Mussalmans. Take Examiners, same is the case there. If Mr. Lalchand's complaint on the floor of this House is that the Customs Collector has appointed Mussalmans, then I do not think that such a complaint is at all fair to the Mussalman community. With these remarks, and hoping that Mr. Lalchand Navalrai will not be bringing in similar complaints, as between Hindus and Mussalmans, I resume my seat.

Mr. P. N. O'Sullivan (Bombay: European): Sir, I intended to say a word on this motion this morning, but it is such a long time ago that I have now forgotten what I was going to say. However, I think on the

whole I had better say a word about Sind. I think we are all agreed that these debates on more or less communal topics are not edifying, and I would hesitate to rush in myself where angels fear to tread. But, Sir, this problem of filling up of appointments to the public services in Sind is a very difficult and most peculiar one, and one, I think, which no other Provincial Government has to contend with to the same extent.

The history of Sind itself is a peculiar one. When the British first occupied Sind between 1840 and 1850, the rulers of Sind were the old Baluchi Mirs, and those old Mirs were ill-educated, and, in fact, history records that they detested any form of education or clerical work or anything of that description at all, and their affairs and the affairs of the State were run by Hindus. A particular community of Hindus are the descendants of the original clerks of the Mirs of Sind. As time went on, after the British occupation, this community entered the service of the British Government. At the beginning of the century, the Government service in Sind was almost entirely composed of Hindus and very largely of that particular class. The habits of life of the Muslims of Sind were not conducive at that time—I am talking about the beginning of the century—to education. They thought more of the power of the sword than of the pen. They preferred the plough to the parchment, and, in fact, I will say again that they were inclined to look down upon education with the natural result that, during the last 30 years, they have been almost excluded from Government service. There is a very small proportion of educated Muslims in Government service in Sind today. In the last few years, the Government of Bombay have made strenuous efforts to remedy the situation which is very difficult and very intricate indeed. On the one hand, they were faced with demands of the large Muslim population who were inadequately represented in the public services. On the other hand, they were faced with the necessity to carry on the administration as efficiently as possible and it was very difficult to keep both these ends in view and produce anything like a working arrangement. The same claims came from both communities as we had today in this House from the respective representatives of these communities of Sind, I am referring to my Honourable friend, Mr. Navalrai and Seth Haji Abdoola Haroon. The clamour we have had today is not comparable with that which has been going on in the Bombay Legislative Council for several years now. I say the Government of Bombay have been endeavouring to remedy this by putting Muhammadans, as far as possible, into the public services, but it is extremely difficult. If Government could only produce some sort of working arrangement to the following effect, it might meet the case. Establish three categories for recruitment to the public services. Category "A" for the Muslims of Sind, category "B" for the Hindus of Sind, and category "C" as a sort of efficiency cadre to be recruited from both Hindus and Muslims and then make all the higher appointments, all the key appointments and all the important appointments from the efficiency category.

Mr. Lalchand Navalrai: The Hindus are also efficient.

Mr. D. N. O'Sullivan: I am putting into the third category all the efficient Hindus and Muslims and also members of any other community. That is the only way in which we can get on possibly. The great danger now in Sind is that Muslims are unfortunately being forced into key positions in keeping with this policy, to the great detriment of the administration, and if this state of affairs is permitted to go on, there will

[Mr. D. N. O'Sullivan.]

be a breakdown in the administration. (Hear, hear.) An educated Muslim is in every respect able to perform the same duties and is as good a public servant as the Hindu of the same standard of education. As I said, unfortunately, owing to their lack of opportunities, the required number of Muslims is not forthcoming, and, in the meantime, therefore, I would urge, with all the emphasis at my command, that Government should keep in view the necessity of running a strong and capable administration in Sind and recruit for the higher services only those Muslims and those Hindus who are able to pass—not necessarily by means of a competitive examination—a certain efficiency bar. Otherwise the new Province of Sind will be faced with a complete breakdown. It is an impossible position to produce, for instance, a Muslim engineer of five years' service in the Public Works Department and put him in charge of a large area where most intricate barrage and canal works have been in progress costing lakhs of rupees to Government. If that man is given a chance, naturally, in due course, he will capably fill those higher posts, but not at present. Therefore, I would ask both my Honourable friends from Karachi, when they get back to their Province, to place some manner of scheme of this nature before Government and to settle their differences. Now, I would ask my friend, Mr. Navalrai, to withdraw his motion.

Nawab Major Malik Talib Mehdi Khan (North Punjab: Muhammadan): I had no intention to take part in this debate, but certain remarks made by my friends, Mr. Joshi and Bhai Parma Nand, have made me to rise and say a few words. Mr. Joshi said, though not in so many words, that the Muslims preponderate in the Army, while Bhai Parma Nand said that they were holding the same position in the Police. I admit that, after the British-Sikh Wars, when the Punjab was annexed and the Government of India occupied the country bordering the North-West Frontier Province, all the wars of that period generally were fought beyond Peshawar. To fight those wars, the people who were inhabiting the north of the Punjab were enlisted and they had to bear the brunt of the battle, because the invaders mostly hailed from across the border. The people belonging to other parts did not like to go as far north, and it is said that when a regiment was sent from the south they laid aside their guns and boxes and said that as they could not stand the cold, they would like to go back to their own Province. This was one of the reasons why the people of the Punjab preponderate in the Army. The second reason is that the pay of the sepoy was not alluring enough to those who could make both ends meet in a mild climate. This accounts for the enlistment of Muslims and the popularity of the letters "P. M." in the Army, which stands for "Punjabi Mussalmans", a name to conjure with, because they fought the battles of the country, not on the North-West Frontier alone, but in other places, such as China, Africa, Turkey, Europe and other places, and, wherever they went, they rendered a good account of themselves. The unemployment in the country is now goading people to take to callings for which they did not care before, and as the pay of the Army has been raised, the other classes now seek admission into it. Another reason is that under the new Indianisation scheme, the posts of officers have also been thrown open to Indians. Here we discern the turning point in the claims of the new entrants or candidates for efficiency alone. My reply is that those, who fought the battles of the country for over 100 years, deserve some recognition in filling higher appointments. This

is all I urge; I do not want favouritism, I claim that if the sons of old soldiers fulfil the conditions of service, and as they are made of that stamina which makes a strong and sound officer, I see no reason why they should be ousted, because they belong to a community which supplied the major part of fighting material, i.e., Mussalmans.

Mr. Lalchand Navalrai: That is what I want for Sind.

Nawab Major Malik Talib Mehdi Khan: And it is not denied by me.

Now, I come to the Police Department. There was a time, Sir, when this Department was looked down upon and it was said that no decent person, with self-respect, could join the ranks of the Police. The pay was small and the work very hard. This was the reason why those, who had the stamina to fight and suffer hardships, joined this Department. They were generally Mussalmans.

Lieut.-Colonel Sir Henry Gidney: The same is the case with Anglo-Indians in the railways.

Nawab Major Malik Talib Mehdi Khan: I am not denying anything to those who deserve it. It is immaterial whether they are Muslims, Christians, Hindus or Sikhs or Parsees. There is one aspect of the case, which I would like to lay before you, namely, that a new class of crime has recently come to the forefront which I might call political. A cry was made to enlist non-Muslim classes in the force, and the Government allowed it. The Muslims never said a word that they should not come in to get their due share. All that they (Mussalmans) want is to live and let live.

I have given my answer to the question how the Muslims preponderate in the Army and the Police. As to the point in question, I make a simple suggestion. Where a community is in the minority, it is but meet and proper that its number should be raised either by enlistment or nomination. We are ready to accept this principle and I hope everybody else will do so. There is another point, which requires closer scrutiny, namely, the demand for efficiency. I find that efficiency alone and the bringing of a minority community to its proper level do not go well together. My friend, Sir Muhammad Yakub, said just now that efficiency as applied by one person does not carry the same meaning to another. My suggestion would be that Government should fix a certain standard for filling up various appointments under them, and when they find that a certain number of candidates come up to that standard, one belonging to a minority community should get the post. By this way Government could bring up the minority communities to their proper level, and would avoid swamping one community by the other. This would facilitate the work of the Government, and if they find it useful they can keep it up. It will smooth the way of Government if they insist that persons belonging to various communities inhabiting this vast country should have their due share of posts. With these remarks, I bring my speech to a close.

An Honourable Member: The question may now be put.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan): Sir, one's patience gets exhausted when one listens to this kind of speeches which have no relevance with the matter in issue. Here we have got a

[Mr. Muhammad Yamin Khan.]

cut on demand No. 16 which relates to the Customs Department and we have been hearing the tales of woe about different Departments which have got nothing whatsoever to do with the Customs Department. Much ground has been covered and many Departments have been touched upon, such as the Army and the Police, and also the Provincial Services have been referred to. I do not see how the Customs Department has anything to do with any Province. Customs is the Department of the Government of India and the rules regulating the entries in its services must be made on an All-India basis, and not on the basis of one Province or the other. When I see the list of cut motions, I do not understand how the various Honourable Members who have given notice of those motions can reconcile themselves. Cut motion No. 2, standing in the name of Mr. Sitakanta Mahapatra, refers to non-representation of Oriyas in the Customs Department. Cut motion No. 4 relates to the paucity of Sikhs in the services. Cut motion No. 5, standing in the name of Mr. Maswood Ahmad, relates to the paucity of Muslims. Cut motion No. 7 by the same Honourable Member proposes to raise the question of indiscriminate supersessions. Then comes in another cut motion by the same Honourable Member regarding Indianisation. Then there is another cut motion relating to Muslim grievances all round. Then comes another cut motion regarding the representation of Muslims in the Calcutta Customs. Then, my Honourable friend, Mr. Amar Nath Dutt, has given notice of a cut motion to discuss the question of the paucity of Hindus in the Department. So, I do not know which community is suffering from paucity of its representation. One gets perplexed to find out who is the person who has got a grievance. Sir, this sort of talk goes on everyday and it spoils the credit of this august House in the eyes of the world as if we have got nothing else to do. We cannot criticise the policy of the Department, whether the expenditure is rightly incurred or not. I think the best thing would be that if anybody has got a grievance he had better see the Member in charge and explain his case to him and not waste the time of the House.

Mr. Lalchand Navalrai: The Member in charge then says that Government have laid down such and such policy.

Mr. Muhammad Yamin Khan: I say that my friend, Mr. Lalchand Navalrai, is pleading against his own community and that can be explained to him in one minute. He wants to be treated as a member of a minority community. Now, the rules relating to the minority communities are that they should get 30 per cent. jobs altogether. Will my Honourable friend be satisfied if he gets 30 per cent. altogether including the other minority communities which inhabit that Province such as Parsis and other people? I will be quite content if he gets 30 per cent. and gives the rest, namely, 70 per cent. to the bigger community of that Province, i.e., Mussalmans. As a matter of fact, it has been shown that he is getting what the majority community ought to get.

Mr. Lalchand Navalrai: Let Government send to the Customs Office an order that the Muhammadans are not a minority community and then we will be satisfied.

Mr. Muhammad Yamin Khan: That is not the question. This grievance is that the Hindus of Sind are treated as a majority community. It means, in other words, that he wants to be treated as a minority

community; if so, will he be content to have the share which has been fixed by the Government of India for minority communities? If that satisfies him, we are pleased and have no grievance.

Mr. Lalchand Navalrai: Plus efficiency.

Mr. Muhammad Yamin Khan: Yes, that will also be decided whether the man who comes from the minority community in Sind has satisfied the test of efficiency or not. If a rule is fixed that the quota of a minority community should be only 30 per cent, then the majority community of my friend, Haji Abdoola Haroon, will be quite satisfied; and this 30 per cent of Mr. Lalchand Navalrai will include Parsis, Jains, Sikhs, etc. But, as I said the other day, there are people who, in their zeal for their community, really injure the interests of their own community. My friend from Sind is really pleading against his own community and he will really see the hollowness of his case if it is put before an impartial judge. The decision will be one which will not be liked by the people whom he has the honour to represent in this House.

Sir, my friend, Mr. Sullivan, gave us a good history of Sind, and I was very much interested in it, but I should like to say that we are not discussing the administration of Sind, but the Customs Department, which is a Department of the Government of India and not of the Sind Government.

Sir, when I heard my friend, Mr. Joshi, I was amused, and I would have whole-heartedly supported him, but I found that his arguments go absolutely against those he had been advancing in the past. He had been advocating the cause of the Harijans, depressed classes, labour classes; and, now, today, he says that only Brahmins should fill in all the posts.

Mr. N. M. Joshi: I did not plead the case of any community. I simply said that the principle which is applied to the Anglo-Indian community should be applied to all communities which are in the same position. That principle is that there should be no sudden disturbance in the economic life of any community.

Mr. Muhammad Yamin Khan: This means that the vested rights of the communities, who had been holding certain jobs against the interests of the other communities, must continue, and that is what my Honourable friend wants. Sir, I myself come from a family which had been in Government service for nearly eight or nine hundred years, and now we find that we are being ousted by others. We thought we were the people justified to hold jobs, and ousted the others. But there was no justification for that. So, if my friend wants to support vested interests, certainly there will be a great deal of support from many quarters. India was formerly divided, even before the Muslim period, into four castes, i.e., Brahmins, Kshatriyas, Vaishyas and Shudras; and the work was divided amongst them. The Muslim Emperors continued to hold

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member complained at the beginning of his speech about the irrelevancy of other Members.

Mr. Muhammad Yamin Khan: I was saying that this arrangement has been disturbed by the British Government and they have adopted the rule that there should be no restriction, and now Mahatma Gandhi wants

[Mr. Muhammad Yamin Khan.]

that Harijans must have a full share. If the House agrees that that should not be done and that the old system should continue, I am afraid, Mr. M. C. Rajah will go outside and complain about it. Sir, this was only a side issue which I allowed myself to discuss on account of the speeches of other Members, because they were so amusing. And I think the best advice possible has been given to my friend, Mr. Lalchand Navalrai, by Mr. Sullivan that he should withdraw the motion after realising that he was causing injury to his community.

The Honourable Sir George Schuster: Sir, my Honourable friend from Karachi has raised a regular hornet's nest by his motion and I think, when the House comes to appreciate what are the true facts of the situation, those hornets will give my Honourable friend a very unpleasant time. I think the last speaker correctly summed up the situation. My Honourable friend wants to have the share of the majority community so far as numbers are concerned and the protection which is accorded to a minority community. He wants to make the best of both worlds and that is an attempt which in this very unpleasant world generally fails.

Now, Sir, what are the facts of the situation so far as the Customs House in Karachi is concerned? Among the gazetted officers belonging to the Imperial Customs Service, there is one European Collector, one Muslim Assistant Collector and two Hindu Assistant Collectors. So far as the other gazetted officers are concerned, there are one European, one Hindu and two Indian Christians. As far as the non-gazetted staff is concerned, on the clerical side, the Hindus hold 67½ per cent. of the posts and the Muslims only 14·1 per cent. As far as the other non-gazetted staff is concerned, the Hindus hold 41·4 per cent. and the Muslims 19·2 per cent. Now, Sir, if any community has a grievance in connection with the methods used for recruiting staff to this office, it is not the Hindu community, but the Muslim community. The House is fully aware of the rule laid down by the Government of India in this matter. I would remind the House that it is that one-third of the new appointments should be reserved in order to correct communal inequalities in the staffing of the Departments. That rule has been applied to the Karachi Customs staff as to every other staff in every Department of the Government of India, but so far it is quite clear that the operation of that rule has not gone a very long way to correct the inequalities so far as the representation of Muslims is concerned. The House is also probably aware that we have for some time past been giving very careful consideration to this rule of ours and considering whether, in the light of six or seven years' experience, it has in practice produced the results which it was designed to produce. I cannot make any definite statement to the House today as to what the result of our examination has been, but I hope that will be put before the public very shortly. In the meanwhile, Sir, I can only associate myself with my friend, Mr. Yamin Khan, in advising the Honourable Member from Karachi to withdraw his motion.

Mr. Lalchand Navalrai: Sir, I made an attempt to make myself very clear, and three times I repeated my point of view

Lieut.-Colonel Sir Henry Gidney: And you failed.

Mr. Lalchand Navalrai: You also suffer there. But, Sir, my point has been made more clear and put in a better shape and form by my friend, Mr. Sullivan, for which I am thankful to him. Sir, I do not deny that the Hindus at present have got seats in the Customs Department in Karachi

Seth Haji Abdoola Haroon: They have more than enough.

Mr. Lalchand Navalrai: There are the figures available, there is no fight with them, but my point is that lately there has been a tendency in the Customs Office on the part of the Officers to entertain people of the so-called minority community without looking to efficiency, because these Officers are under the impression that their hands are tied down and they must entertain the members of the minority community without any regard to efficiency

Seth Haji Abdoola Haroon: Question.

Mr. Lalchand Navalrai: I can give the House an instance. Anyway, my humble submission is that, if people are entertained in Government and public offices without any regard to efficiency, there is a great danger ahead of us, and I want that Government should protect us from that danger. It has been explained to the House that Sind has a peculiar administration, but there we do not in the least grudge to give all possible facilities for education to our Muhammadan brethren. I do not say that we do not want them in the Government offices, but they have not been used to Government services, because, as it has been said, they have been used to the plough so far; but, as I said, the Officers in Sind feel that their hands are tied and they are compelled to choose members of the minority communities, and I would ask the Honourable Member in charge to guard himself against that danger.

Then, Sir, I shall give only one instance to the House. It is not a new instance, because it was mentioned on the floor of the House already. An appointment was given to a man in the Preventive Service,—it was a job carrying not Rs. 10 or Rs. 15,—but it carried a salary of Rs. 150, and the man was only a matriculate

Seth Haji Abdoola Haroon: But he was a very able officer.

Mr. Lalchand Navalrai: Excuse me, and I asked a question in the House if there were not B.A.'s and M.A.'s who had applied for that post and why was it given to a man who was only a matriculate, and the reply was: the man had a long stature, he was a tall man (Laughter), but my point is, are there not enough tall Hindus in Sind to hold posts in Preventive Service

Sir Cowasji Jehangir: May I ask the Honourable Member what will then become of both of us?

Mr. Lalchand Navalrai: I am coming to you shortly. Sir, I would very well accept what fell from my Honourable friend, Sir Muhammad Yakub, that we do not want communalism to be introduced in the services, merit alone should be the criterion. This point has been explained by my friend, Mr. Sullivan. Of course, if there are certain posts where only ploughmen are suitable, then let Muslims go in for those jobs

Mr. Uppi Saheb Bahadur (West Coast and Nilgiris: Muhammadan): Sir, I strongly protest against the suggestion which my friend makes that Muhammadans are only fit to be ploughmen.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order.

Mr. Lalchand Navalrai: Sir, coming to my friend, Sir Cowasji Jehangir, for whom I have a great regard—he was an Executive Council Member of the Bombay Government—he forgets that his co-religionists in Sind are very well represented. They are also getting preferential treatment as my Muslim friends are getting

Mr. President (The Honourable Sir Shanmukham Chetty): Is it on account of their stature? (Laughter.)

Mr. Lalchand Navalrai: I cannot understand why my friend, Sir Cowasji Jehangir, should have any grievance. Sir, the Parsi community is very largely represented everywhere. Look in this House. Of a population of about one lakh of Parsis in India, there are six Members of the Parsi community in this House. Sir, who went to the Round Table Conference? The Parsis did go. Were any Hindus from Sind sent to the Round Table Conference? Anyway, I do not want to introduce questions of a communal nature here. I want only justice to be done, and I want the Government to guard against the danger to which Hindus are exposed.

I do not want to notice and criticise the observations that fell from other Honourable Members, but I am thankful to those who have shown sympathy with my motion. I do not want to fight out this question at this moment and press the motion to a division. I do not agree with the remarks that have fallen from the Honourable the Finance Member. That because we have secured the posts by merit and education at a time when there were no suitably qualified Muslims to hold those posts, we should be put behind and treated in an adverse manner is not just. I feel there should be some understanding on this question. Now, Sir, taking the advice of the Honourable the Finance Member, as well as that of my friend, Mr. Ranga Iyer, and also the advice of the Honourable Mr. Sullivan, I ask for leave to withdraw my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Has the Honourable Member the leave of the House to withdraw his motion?

Some Honourable Members: Yes.

Some Honourable Members: No.

Kunwar Hajee Ismail Ali Khan (Meerut Division: Muhammadan Rural): Sir, I rise to a point of order. Last time when there was a similar motion before the House, one Member objected, and the motion was not allowed to be withdrawn.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. If anybody seriously objects, certainly the motion will not be allowed to be withdrawn.

The Chair will ask again: has the Honourable Member the leave of the House to withdraw his motion?

Some Honourable Members: No.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

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

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): No. 27 (To call attention to the urgent necessity of allocating half the export duty on rice to Burma in view of her serious financial position) is not in order.

Mr. F. E. James (Madras: European): May I make a submission, Sir, in regard to No. 27? We deliberately chose to place this particular cut motion under this head after very careful survey of the list of demands: we thought it would be understood that the general principle was that where for example Customs is the agent of the Government of India for collecting a particular duty, we could raise a question as to that specific duty under that head. We have not followed the practice of some other Honourable Members who have put down the same cut motion under several heads, so that if you, Sir, are pleased to say that this is not the proper place for this discussion, then we are very much afraid that this discussion will be ruled out entirely as far as this particular debate is concerned.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair realises that many Honourable Members have made a *bona fide* mistake in choosing the demand under which they have given their cut motions. As a special case, what the Chair would do is this: when the relevant demand is reached, then the Chair would allow these Honourable Members to make these motions under those demands, provided they are not barred, and when the other motions under those demands, which are on the Order Paper, are disposed of. That will be quite equitable.

Mr. Lalchand Navalrai: May I raise one point? When we send in these cut motions and we put them in the wrong place or we do not put them exactly where they should be, may I request the President to give orders to the Assembly Office to correct them?

Mr. President (The Honourable Sir Shanmukham Chetty): That responsibility cannot be taken by the office.

The question is:

"That a sum not exceeding Rs. 64,35,000 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, 1935, in respect of 'Customs'."

The motion was adopted.

DEMAND No. 17.—TAXES ON INCOME.

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

"That a sum not exceeding Rs. 82,08,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Taxes on Income'."

Paucity of Oriyas in the Bihar and Orissa Income-tax Department.

Mr. Sitakanta Mahapatra: I beg to move:

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

In the whole of the Bihar and Orissa Income-tax Department there is only one Oriya income-tax officer and one or two inspectors. One Oriya officer was removed from service several years ago, because he could not pass the departmental examination. He was a graduate of an Indian University with high class honours.

An Honourable Member: Of what University?

Mr. Sitakanta Mahapatra: Of the Calcutta University—and yet he could not pass the quite easy and yet mysterious departmental examination. Then, another Oriya Income-tax Officer was retrenched about two years back, and the fun is that he was retrenched as a young man getting a life pension of Rs. 60 a month. I understand, since then, more Income-tax Officers have been taken in, but no Oriya, into this Department. If an Oriya was retrenched, when the next chance came, it should have gone to an Oriya. I do not understand where the reason is in retrenching an officer and giving him Rs. 60 a month of the poor tax-payers' money for, it may be, fifty years, and then taking in other Income-tax Officers in vacancies. If the officer was inefficient or bad, why not dismiss or remove him? If not, when another chance came, why not take him back and save Rs. 60 a month? He would have continued had there been no depression and retrenchment. In any case I want to impress upon the Government that my countrymen have not got their due share in the Bihar and Orissa Income-tax Department. I believe I will listen to a more sympathetic speech from the lips of the Honourable Government Member than the last one.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

The Honourable Sir George Schuster: Sir, I can inform the House as to what the actual position is as regards the percentage of Oriyas in the Bihar and Orissa Income-tax Department. They have one gazetted officer, four non-gazetted and six ministerial people, or a total of 11 out of a total of 123, which represents nine per cent. of the staff. I understand they represent about 20 per cent. of the population, so that they have about half of what their population percentage would give them. If the matter were to be tested according to the amount of income-tax paid, I think probably it will be found that the Oriyas are very much over-represented. (Laughter.) I think that my Honourable friend may take it that no injustice is being done, but I am afraid that as regards my immediate attitude he will find me just as unsympathetic on the present occasion as I was on the last for I must oppose his motion.

Mr. Sitakanta Mahapatra: Sir, the Honourable the Finance Member has not been more sympathetic this time and the Government are too wooden and inelastic, and, I may say, hard-hearted. I have no other course but to beg the House to permit me to withdraw my motion.

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

Hearing of Appeals on Assessment by the same Officers and not by Independent Judicial Officers.

Mr. Goswami M. R. Puri (Central Provinces: Landholders): I beg to move:

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

I do not think I am raising a new point altogether in this House. This point has already been dealt with in this House by my Honourable friend, Sir Hari Singh Gour.

The Honourable Sir George Schuster: On a point of order, I wish to submit that my Honourable friend's motion is really tantamount to suggesting an amendment of the Income-tax Act. So long as the Act is as it stands at present, the Income-tax Department cannot be criticised for the manner in which it hears appeals, because that is strictly in accordance with existing legislation.

Mr. Goswami M. R. Puri: I want to bring facts before the House and not to propose any amendment. I wanted to put up some suggestions and this is the only possible way.

Mr. President (The Honourable Sir Shanmukham Chetty): It has been ruled before that if it is the intention of a Member to suggest amendments to an existing Act, then such a motion will not be in order under this demand. The Chair understands it is the intention of the Honourable Member to suggest an amendment to the existing Income-tax Act, is it not?

Mr. Goswami M. R. Puri: Yes.

Mr. President (The Honourable Sir Shanmukham Chetty): Then that is not in order.

Arbitrary Assessment by Income-tax Officers.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadian Rural): I beg to move:

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

My motion aims at removing the grievance of the public under which it has been smarting for a long time. The public is not at all satisfied with the way in which most of the Income-tax Officers deal with the assessee. In most cases, assessment is arbitrary and is based on no principle, the accounting is defective and the calculation of profits is more than the assessee earns. But the assessee in all these cases, in spite of their great dissatisfaction, have to keep quiet, because experience has taught that the appeals preferred against the assessment, instead of bringing in any relief, results in summary dismissal and means so much money wasted. No decent Counsel easily agrees to appear and argue income-tax appeals, because he knows it is difficult to get any relief for his client.

The Income-tax Officers do not give enough time to the assessee to file objections and have no patience to go through the accounts and always deal with their objections in a summary manner, and the appellate authority

[Rai Bahadur Lala Brij Kishore.]

always tries to uphold their judgments and considers it a mere waste of time to go through the accounts. The objections and appeals by the assessee generally meet a very bad fate and it is a well known fact that it is considered futile to file any objection or appeal against the assessment of income-tax. If the Government get figures and statistics, they will find how few appeals are filed, and the one that is allowed is rare. This is at least true of the United Provinces to which I belong.

Now, much of this evil can be remedied if the forum of the appeal is changed. The same set of persons who assess should not be the persons who hear the appeals. I propose that the appeals should be heard not by the Income-tax Commissioners, but by the Civil Courts. The presiding officers of the Civil Courts are trained lawyers, who respect procedure, give patient hearing, and, by their experience of the civil work, can be expected to scrutinise the accounts, find out the actual profits to be assessed and at least give a satisfaction to the assessee that he has been fairly dealt with.

The public is bound to have more confidence in the justice of officers of the Civil Court who will have no biased mind in this that the increase of revenue is the only thing to be cared for. With the increased rate of income-tax, it is all the more necessary that the cases of the assessee should not be decided arbitrarily as heretofore.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved.

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

The Honourable Sir George Schuster: This is a very well known subject and I hardly think that the House will desire to hear from me again the defence of the Income-tax Department in this matter. I must oppose my Honourable friend's motion.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

The motion was negatived.

Mr. Lalchand Navalrai: No. 55. There are two parts of my motion and I believe both are admissible.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair would like to know exactly what the Honourable Member wants to discuss.

Mr. Lalchand Navalrai: Under the first portion I say that surtax shall not remain.

Mr. President (The Honourable Sir Shanmukham Chetty): That will come under the Finance Bill.

Mr. Lalchand Navalrai: The other is the policy of the Department, and I hope it will be allowed.

Mr. President (The Honourable Sir Shanmukham Chetty): Yes.

Policy of the Income-tax Department.

Mr. Lalchand Navalrai: I move:

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

Under this cut motion, I want to draw the attention of the Government to two points. There is a tendency in the Income-tax Department for the Income-tax Officers not to give their judgments regarding assessment for a particular year in the same year. The thing goes on hanging till the next year, and there are instances where it has gone on even into the third year, and then the Income-tax Officers give their decisions for all the three years together. This practice ought to be stopped. I gave an instance of it the other day by means of certain questions relating to Calcutta, and the reply came that the matter was being investigated. What I beg to submit is that a practice like this is prejudicial to the assessee. If the Income-tax Officer finds in the second year that the man has made more money in that year, he thinks that in the previous year also his income was the same, and that is a great danger. Another point that I want to bring to the notice of the House is as regards the reopening of the income-tax. The re-opening of the income-tax goes on too frequently. The Income-tax Officer, on some pretext or other, re-opens the income-tax once it has been assessed. That is a troublesome thing. Therefore, the Income-tax Officers should be given instructions not to re-open the assessments without very substantial reasons, because I find that very often they re-open the income-tax on some flimsy grounds. Sir, I move my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved.

"That the demand under the head 'Taxes on Income' be reduced by Rs. 100."

The Honourable Sir George Schuster: It is impossible really to deal with cases such as those mentioned by my Honourable friend without having more details and without having his allegations supported by evidence in particular cases. If my Honourable friend has got any particular cases that he wants to bring to my attention, I will be very glad to see that they are examined by the Central Board of Revenue. So far as I know, taking the first point made by my Honourable friend, there is no practice of the kind which he has in mind. He had one particular case in mind, and if that is the case to which he was referring, I think it has already been made clear to him that it is an entirely exceptional case. The second point dealt with the re-opening of cases, and that, of course, is governed by law, but, as I have already said, if my Honourable friend has any particular cases which he wishes to discuss, I shall be very glad to see that his points are inquired into.

Mr. Lalchand Navalrai: Sir, with regard to the first point, my object is only this, that that instance that I have given and which was to some extent investigated may be a precedent, for others will take the same view and follow it. Therefore, as the Honourable Member says that it was only a single instance and it would not lay down any rule or give any impetus to the officers to do the same and as he has left it open to me to represent cases of this nature to him, I would ask leave of the House to withdraw my motion.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

* "That a sum not exceeding Rs. 82,08,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Taxes on Income'."

The motion was adopted.

DEMAND No. 18—SALT.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 71,17,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Salt'."

The motion was adopted.

DEMAND No. 19—OPIMUM.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 40,78,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Opium'."

The motion was adopted.

DEMAND No. 19-A.—EXCISE.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 4,68,000 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, 1935, in respect of 'Excise'."

The motion was adopted.

DEMAND No. 20—STAMPS.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 13,60,000 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, 1935, in respect of 'Stamps'."

The motion was adopted.

DEMAND No. 21—FOREST.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 5,14,000 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, 1935, in respect of 'Forest'."

The motion was adopted.

DEMAND No. 22.—IRRIGATION (INCLUDING WORKING EXPENSES); NAVIGATION, EMBANKMENT AND DRAINAGE WORKS.

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 4,51,000 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, 1935, in respect of 'Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works'."

The motion was adopted.

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

The Honourable Sir George Schuster: I beg to move:

"That a sum not exceeding Rs. 9,95,66,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Indian Posts and Telegraphs Department (including Working Expenses)'."

Paucity of Muslims in the Services.

Mr. M. Maswood Ahmad: Sir, I beg to move:

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

Sir, in the morning I thought I would not move any such motion, but my friend, Mr. Lalchand Navalrai, has forced me to move my motion this time.

In this connection I want to place before the House the condition of my community in the Posts and Telegraphs Department, and I shall quote certain figures. If my Honourable friend, Sir Thomas Ryan, would not have got sufficient time to appreciate these figures, I would remind him as to the condition of my community as, in spite of so many promises from my Honourable friend, I find that the time of my Honourable friend also was unhappy for my community. I am thankful to my Honourable friend, Sir Frank Noyce, that though he replied to about 200 questions in one stroke of the pen, this time, as he had promised, he has given the figures for the different circles as well and we are in a position to judge what is our condition in the different circles, and those figures I think will satisfy my Honourable friend, Mr. Lalchand Navalrai, as well. Sir, in the gazetted staff, I find the total number of posts is 452, but my community has got only 31. When I consider the new recruits appointed during the year 1932—because it has been said on several occasions that on account of the very few recruits in this year the percentage for my community could not be raised—but when I see the figure for new recruits, I find the total number were two, but my community did not get a single seat out of these two posts.

Mr. R. S. Sarma (Nominated Non-Official): So they were superseded.

Mr. M. Maswood Ahmad: I did not want to say as to who got those seats, but when my Honourable friend asks the question, I have got no alternative but to reply that my Hindu friends have got those two seats.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Then comes the question about the engineering supervisors and the telephone and electrical supervisors. Under this category, out of 278 posts, my community got only 12. Further, you will be surprised that here as well—I am sorry my friend, Mr. Lalchand Navalrai, is leaving the House just now—the Sindhi Hindus got about three posts and only one post is in the hand of my community in the Sind Circle.

Then comes the question of the wireless supervisors and wireless operators. Here you will find that, out of 159 total employees, only six are Muhammadans.

[Mr. M. Maswood Ahmad.]

Then comes the fourth category—telegraph and assistant telegraph masters. Here, I am very sorry to state that, out of 2,837 posts, only 93 are held by Muhammadans. Here also the Sindhi Hindus have got a large number; they have got about 22 posts, while in the Sind Circle the Mussalmans could not get a single post inspite of being in the majority. Sir, this is the condition about which my Honourable friend, Mr. Lalchand Navalrai, was murmuring!

An Honourable Member: The Hindus have got it by merit only.

Mr. M. Maswood Ahmad: Then, with regard to the clerical staff and the higher grades. As to other classes of jobs, it might be said that some technical knowledge was required and that for this reason my community did not get any share, though I do not agree that qualified men were not available. But what can you say about the clerical staff in the upper division? In this case also, you will find that out of 29,531 posts, the Mussalmans could get only 4,919.

An Honourable Member: Lack of knowledge.

Mr. M. Maswood Ahmad: My friend should know, that efficiency is not the monopoly of any one community. Here also, the Sind Hindus got 515, while the Sind Muhammadans got only 207 posts.

Then, with regard to the clerical staff, lower division, I will give you the figures. These are figures for lower division clerks who do not require any kind of skill except drafting letters or despatching letters from one place to another, and you will find here, Sir, that out of 3,750 employees, Mussalmans are only 889; and, here, again, even for this clerical lower division staff, the Sind Hindus are 50 and the Mussalmans are 30 only.

I am quoting these figures to satisfy my friend, Mr. Lalchand, so that he may appreciate what is the position of my community in Sind about whom he has taken four hours just now.

Then comes the question of the lower line staff. For this also no particular qualification is required. The line staff is a sort of menial staff. You will find, Sir, that out of 4,050, the Mussalmans are only 1,524.

Then, with regard to postmen and mail runners, who can be taken to be in the category of ploughmen, as was said by my Honourable friend, —here again you will find that out of 28,455 posts, Mussalmans occupy only 6,967 posts. Luckily, for postmen, the Hindus have got 202 posts, but the Mussalmans have got about 207 in the Sind Circle. (Hear, hear.) Here my community could get five posts more while the number of Mussalmans in Sind is about 28 lakhs and that of Hindus is about 10 lakhs.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): What are the respective proportions of literacy? (Laughter.)

Mr. M. Maswood Ahmad: I have replied already with regard to that to my Honourable friend, Bhai Parma Nand, but I am sorry he always forgets my reply and he has got no place in his mind to remember that; I am sorry he has got indeed a peculiar sort of mind. (Laughter.)

Then comes the question of other non-clerical non-gazetted superior staff. Here you will find that out of 1,303 posts, Mussalmans could get only 343, and here also the Sind Hindus have been the lucky ones, occupying, as they do, 22 posts in the Sind Circle.

Then, with regard to the inferior staff, here also, out of 30,685 posts, the Mussalmans have got only 7,159, and the Sind Hindus there also have got 306 posts, while the Mussalmans have got only 262. For this inferior staff as well, if you will see the list of the new recruits appointed during the year 1932, you will find that, out of 1,101 newly-recruited posts, only 251 have gone to Mussalmans.

I say this is the condition in all the circles. In those circles where the Mussalmans are in large numbers, there also our percentage and our numbers are very hopeless; even where, on the other hand, we are in a minority, we do not get any weightage. Not to speak about weightage, I can say, we are not getting our share even on a bare population basis in any Province. I am very sorry that the policy of Government in this connection cannot be praised at all. My Honourable friend has on several occasions promised to give at least 25 per cent. of the new appointments to my community, but I do not find any tangible result of that kind. Out of 33 per cent. posts, which have been reserved for the minority communities, I always find that the majority of the jobs have gone to other communities. Thus one job is given to Anglo-Indians, one to the Indian Christian community, another goes to my Honourable friend, the Sardar Sahib's community (Laughter), and so on. Thus the claims of my community are overlooked, and we virtually get one-eighth of one-third. Not even one-third of one-third; it comes to one-eighth of one-third in some cases. In this way we are not increasing at all, rather our percentage is going down year by year and all the promises which are made are not fulfilled. Sir, the great trouble is this. It is not the case that qualified Muslims are not available, but the posts are not properly advertised. I put several questions in that connection and some of the Honourable Members opposite admitted on several occasions that the posts were actually not advertised.

The other point is the question of supersession. I find, really speaking, that Government themselves do not want to raise our percentage. My experience is that on some occasions even when an officer tries to do some justice by my community, he is superseded by others and is punished. They say they cannot give a sufficient number of posts to the members of my community, because they treat us as one of the other minority communities. They divide the posts into so many communities that the share of my community becomes negligible. If the Government really want to do justice by my community, then the only course open for them is that they should issue the circulars which they have decided to issue, and whatever percentage they fix for my community should be announced as early as possible. We have been discussing this question now for the last two or three years. The file sometimes goes to the Postal Department and sometimes to my Honourable friend, Sir Joseph Bore, and then it goes to the Home Department, with the result that the promises that were made have not yet been fulfilled and nothing has been done in this connection. I suggest that the efficiency of the Department can really be kept up by some such means. You should better fix certain qualifications for certain posts and publish them in Circulars. Afterwards, if there is a vacancy, it should be advertised in

[Mr. M. Maswood Ahmad.]

those newspapers which are commonly read by the members of the important communities concerned. With this object in view, I think the best course for Government would be to advertise these vacancies in the Gazette of India. In that case, they will also be able to save some money. Instead of favouring only those newspapers who do propaganda on their behalf and who write articles against the nationalist movement, why should not Government publish their advertisements in the Gazette of India alone? All the members of various communities can read that paper. It is very difficult for members of different communities to read so many newspapers. Sometimes one advertisement appears in the *Statesman*, another time it appears in the *Al-Aman*, and then it appears in some other newspaper. So, it is very difficult for my community, especially when it is so very poor on account of not getting sufficient jobs, to read so many newspapers and hunt for advertisements. So, I suggest that all Government advertisements should be published in the Gazette of India and afterwards they should fix different percentages for different communities either on population basis or on any other basis which they might think fit and proper. You should fix certain qualifications for certain posts, and if a member of that community possesses those qualifications, that post should be given to him. And if a member of that community does not possess all those qualifications, then certainly they have no alternative but to give that post to a man of any other community. So, at the time of the next recruitment, they should consider this point again. In this way they can satisfy all the communities except the Anglo-Indians. My friend, Sir Henry Gidney, will not accept this suggestion at all, because unfortunately his community has not got sufficient University degrees and at the same time they do not wish to accept the population basis. So, leaving them apart, all the other communities in India will be satisfied by this arrangement. With these words, Sir, I move my motion.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Cut motion moved:

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

Lieut.-Colonel Sir Henry Gidney: Sir, I rise to support this motion. I very much regret it has been received with so much hilarity. I should have thought it would have been received with enthusiasm. My Honourable friend, Mr. Maswood Ahmad, who has fully earned the title of the "official interlocutor" of this House, has drawn attention to what I consider a great disadvantage from which the Muhammadans suffer. There is not the slightest doubt that in the past—it may be their own fault or otherwise—very little attention has been given to the recruitment of Mussalmans in various services.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): This morning the House had a very exhaustive discussion on the communal representation in different services, and so the Honourable Member must confine his remarks to the Posts and Telegraphs Department only.

Lieut.-Colonel Sir Henry Gidney: I thank you very much and I intend to do so. One has only to examine the list of employees in the Post and Telegraph services to be convinced of the truth of Mr. Maswood Ahmad's statement. But Mr. Maswood Ahmad rather spoilt his case, because he

would insist as a *sine qua non* for such employment, on that "eternal" and "infernal" University degree. Sir, in its quest for suitable employees, the Postal Department, like the Railway Department, does not want brains only; it wants brains and brawn, and, even when he talked about University degrees, he said, the Anglo-Indian community lacked graduates. Let me tell my friend, Mr. Maswood Ahmad, that the Anglo-Indian community possesses more degrees *per capita* of its population than his own or any other Indian community. Might I tell him that one out of every six Anglo-Indians undergoing a College Education today possesses a degree? Our total of graduates has gone up by nearly 600 per cent within the last decade and I have not the faintest doubt that within the next 20 years it will be the Brahmin community of India and Mr. Maswood Ahmad will then have to be more on the *qui vive*. Mr. Maswood Ahmad struck a very true note when he said that the *raison-d'être* of this condition is to be found in the absence of adequate advertisement of these jobs. What is the practice today in many Government offices? Who holds the majority of the posts of Superintendents of such offices? It is no use hiding the fact—it is the Hindus. This House will remember a few years ago, a question was asked of Sir Thomas Ryan's predecessor in office. The question was something of this nature. How many relatives of the Head Clerk or the Superintendent of his office were employed in his office? I think it took Sir Hubert Sams fully five minutes to enumerate them. Sir, the practice is well known in almost every office. The Superintendent alone knows when vacancies are going to take place, and he does not advertise them. Instead, he writes to his relatives and friends, and when he gets a collection of about 20 applications, he puts them before his senior officer who, being a busy man, leaves the choice to his Superintendent or Head Clerk who distributes the jobs to his own community. This is the reason why there has been such a monopoly of one community in these services. But, Sir, my sympathies go with my Honourable friend, Mr. Maswood Ahmad, for another reason. I would ask the Honourable Member in charge of the Postal Department to run his eye down the list of postal employees in the three Circles of Bengal, Bihar and Orissa and Assam, and he will find an almost entire absence of Anglo-Indians in it. Indeed, here is only .5 per cent. of Anglo-Indians employed in the postal services in these three Circles.

Sardar Sant Singh: What is their population?

Lieut.-Colonel Sir Henry Gidney: You want efficiency, don't talk of population. The population basis demand is wholly wrong.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Order, order.

Lieut.-Colonel Sir Henry Gidney: I beg your pardon, Sir. The question is, the population basis is wrong and employment can be given only on efficiency. Sir, here we have a Department in which in days gone by my community played a big part before and in which today it is almost extinct, and, let me add, the same thing will assuredly happen to my Muslim friends, unless they keep on agitating and demanding their rights. I would tell the Honourable Member to realise that a correct and equitable communal apportionment of appointments is one of his sacred duties. I would again impress upon the Government to establish some system by which they can give a fair allocation of the appointments to the various communities. It is wrong to allow one community to monopolise a certain

[Lieut.-Colonel Sir Henry Gidney.]

section of a department especially if that section has the power of giving away all minor appointments. If you wish to cure this evil, you will have to attack the Superintendent's branch of your offices; for it is they who are the cause of this trouble and this communal disproportion.

I think in this cut motion we are dealing with both the Postal and the Telegraph Departments. If this is so, I would like to make one remark with reference to the Telegraph Department. I see that Muslims are also suffering from a serious disadvantage in the Telegraph Department. I do beg of the Honourable Member to remedy this. There is a belief that the Anglo-Indian community has a preferential treatment in the Telegraph Department. Let me at once correct this and say that if the present system of recruitment continues, it will suffer from an "exclusive treatment", because Anglo-Indians are being steadily reduced in this Department. To prove this, one has only to study the comparative statistics of today and ten years or twenty years ago—I shall not go further back than 20 years ago, because that condition will never return—to realise how the Anglo-Indian community is being excluded from the Telegraph Department. In saying that the community deserves better treatment, I need not dwell on the fact that it was an Anglo-Indian telegraphist who saved this very City of Delhi. One has but to visit the Museum in the Delhi Fort to see the original telegrams sent by this Anglo-Indian and which saved this City of Delhi and the Punjab. This fact and the part we played in the development of the Telegraph Department are to be found in every page of ancient Indian history. But I would ask the Honourable Member in charge to read the evidence given by Sir Michael O'Dwyer before the Joint Parliamentary Committee. . . .

The Honourable Sir Frank Noyce (Member for Industries and Labour): Was it evidence regarding the paucity of Muslims in the Posts and Telegraphs Department?

Lieut.-Colonel Sir Henry Gidney: It was not. I was not talking about the postal complaint.

The Honourable Sir Frank Noyce: That is my complaint.

Lieut.-Colonel Sir Henry Gidney: Very well. In deference to the Honourable Member's interjection, I shall refrain from making further remarks on that point, but my chief worry is this: If the Varma Report which, I know, the Honourable Member has in mind, and I know he is carefully considering, is accepted, in part or in whole, with reference to Anglo-Indians, it will cause irreparable economic ruin to the community.

Mr. M. Maswood Ahmad: Do I understand the Honourable Member, Sir Frank Noyce, to say that the Muslims are not in paucity?

The Honourable Sir Frank Noyce: My Honourable friend seems to have misunderstood me. What I asked my Honourable and gallant friend was whether the evidence of Sir Michael O'Dwyer before the Joint Parliamentary Committee which he mentioned had reference to the subject of the motion of my Honourable friend, Mr. Maswood Ahmad.

Lieut.-Colonel Sir Henry Gidney: The Honourable Member representing this Department is quite right and I have already admitted the right of his intervention. At the same time, I do sympathise most sincerely

with the Muslim community and I would ask the Honourable Member in charge to give their demands his serious attention, and I think the Government have a duty to perform to a very deserving community which is most inadequately represented in the Postal Department.

Maulvi Muhammad Shafee Daoodi: While giving support to my Honourable friend, Mr. Maswood Ahmad, on this question, I would like to emphasise one other aspect of the matter. Now, the Department must have seen in a very clear manner how far the Muslims have suffered in the Postal Department. The Government have also seen how supersessions have taken place in the Department so very often as quoted by my Honourable friend, Mr. Maswood Ahmad. The point that I am driving at is this, that it is for these inequities and grievances that the Muslims formed themselves into a union and wanted to collect facts and figures for the Department and for Members of the Assembly, so that they may be placed before the authorities in charge and a way may be found for redressing these inequalities. We found, however, that those Muslim unions were not looked on with favour by the Department. I myself had the opportunity of going to the Honourable Member when I was told that there should be mixed unions to be recognised by the Government. We have seen how mixed unions can never help the cause of the Muslims. It is to snatch away some emoluments from those who happen at the moment to be enjoying them that the unions have to be formed. If in the mixed unions cases of this nature are brought, then certainly the Muslim Members in the mixed unions cannot have a majority of votes to carry their point. It is in that union alone, where the aggrieved people are sitting, that the grievances can be properly discussed and can be passed in the form of a resolution and then put before the authorities or before the Members of the Assembly. If the authorities will not allow any Muslim union to be formed, I do not know how we can find out the exact situation in which the Muslim employees in the Posts and Telegraphs Department are. I am fortunate that we have got now the Honourable Sir Joseph Bhore sitting here who is in charge of the Railways. I submit, the same is the case with railway employees. The employees in these two Departments are very much handicapped, because the authorities deprecate any attempt of forming themselves into a union.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Chair would like to inform the Honourable Member that the House is now discussing the question of paucity of Muslims in the Posts and Telegraphs Department and not the question of railway unions.

Maulvi Muhammad Shafee Daoodi: It is only by the way that I referred to it to show how the employees in these two Departments are constrained to form separate unions. The question arises as to how the Muslim employees in this Department are going to have their grievances redressed. What is the method that they should adopt? If they are asked to go to the mixed union, I am sure, experience has shown that mixed unions would not countenance anything of that sort and they will have no say in these unions. It is only in their own unions that they can formulate their grievances and place them before the Government. I would, therefore, suggest to the Honourable Member in charge to see his way to recognise Muslim unions so long as these inequalities have not

[Maulvi Muhammad Shafee Daoodi.]

been redressed and so long as the grievances of Muslims are palpably greater than the grievances of other employees in the Department. I am sure that when we rise equal to the others, we may not require such safeguards and such unions and may ourselves dispense with them. But, at the present moment, when we have got to fight for our share and for our own bread and butter, we have got to form ourselves into unions, and the authorities have got to recognise them. That is, Sir, the point that I wanted to make out.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I had no mind to take any part in this debate concerning discussion of communal grievances, but I should like to say just a few words on the last point that has been made by my Honourable friend Maulana Shafee Daoodi. I think we cannot agree to all to this very pernicious view that even the services should have their unions based on religion or religious creed they profess. I do not question the right of the communities to have their own political organisations and press their claims for proper representation in the public services of India. But once they enter Government service, all communal interests should cease and promotions and betterment of their prospects should be guided by efficiency and experience of those officers. If the Government of this country will not go down in efficiency, they must make up their mind once for all that these communal or religious considerations should not guide them in giving promotions to their officers who are already in the service. The grievances of the officers must be of the same nature. The services have their recognised unions. But apart from the services, you see in this House very able Members ventilating their grievances times without number. As I have said, I fully appreciate that the different communities and interests in the country should claim to have their share in the public services, but once this pernicious system of having these unions formed on a racial and communal basis is encouraged, I repeat, the chances of having efficient service will be gone for ever. It has been rightly said by the Honourable Member in charge of the Department that, in cases of promotions, he will be guided merely by the efficiency and experience of officers. If these promotions are decided upon questions of religion or creed, efficiency will certainly suffer, and there will be jealousies, and no proper public service can be organised on that vicious principle. I congratulate Government on their so long persistently refusing to accede to all these false and mischievous suggestions. I invite my friend, Mr. Joshi, who represents labour in this House, to give his views in this matter, whether these labour unions can be formed on a religious or communal basis. I know there are postal unions and telegraph unions.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Chair finds it necessary once again to emphasise that the House is dealing now with the question of paucity of Muslims in the postal services. Maulana Shafee Daoodi referred to the question of unions as a means of advancing the question of Muslim employment in the services. Honourable Members can refer to that in a general way, but they should not make that the topic of the discussion.

Mr. S. C. Mitra: I yield to your ruling, and I once again emphasise the point that Government will be very ill advised if they in any way

accept the suggestion made by Maulana Shafee Daoodi that there should be service unions formed in India on communal basis and that they should further the cause of Government officers for promotions and all other preferments. Sir, I oppose this idea in Maulana Shafee Daoodi's speech although I have no objection to proper representation of Muslims or any other important or unimportant community in India to have their share in the public services of this country.

Sardar Sant Singh: Sir, for the last two days there has been a discussion on the question of communal representation in one service or another. I did not get up to express the view of my community in the matter, simply because I thought that I was too weak and too lean and thin to enter into this arena of gladiators where Knights like Sir Henry Gidney and Sir Muhammad Yakub are fighting their battles against a disorganised Hindu community which does not know its own mind. If Bhai Parma Nand gets up to support communalism, another gentleman gets up on this side to oppose it and stands on nationalism, as I find is done by my Honourable friend, Mr. Gaya Prasad Singh. The difficulty in all such discussions is that nobody looks at the question from a national point of view. Probably Government forget and this House forgets the one fundamental principle that no discipline can be maintained in any department of public service if the subordinates feel or even have the least suspicion that his officer in his dealings with him is actuated by communal feelings and not the feeling of justice. In my speech, while presiding over a Postal Conference at Lahore, I made this point very clear. I fully agree with Sir Hubert Sams, ex-Director General of Posts and Telegraphs, in the conclusions which he reached that no service could be relied upon or could give its best to the public for whom it exists so long as communal bias finds any place in the officer's mind. It is a self-evident truth that, if I am serving under an officer and he, by way of discipline, even probably justly, finds fault with my work, I will not ascribe to him the feeling of justice, but I will at once go about and say that he has been moved by racial or communal feeling in dealing with my case. So this view of the case is being completely obscured when dealing with this subject.

The next point wherein the Department has gone wrong is in ignoring that valuable Circular of Sir Hubert Sams, a copy of which was sent to all of us who had gone and waited in a deputation on him for the recognition of communal unions. He firmly declared that no such union could be recognised by the Department. I have a complaint, and that complaint is that one Muslim union has been recognised as a union by the Department; no doubt before recognition this particular union was forced to modify its rules and bye-laws allowing admission of other communities into the union. But if we look to its origin, or to the paper which is the official organ of this union, we, in spite of the best goodwill, will be forced to the conclusion that the union is a Muslim union. Communal considerations find a very prominent place in its editorials as well as in other parts of this journal. This is the case of the whole communal question. But if unfortunately communal feelings must find a place in public services and have come to occupy a place from which probably the Government find themselves unable to extricate, then the question is, why a simple formula should not be found which should be equally applicable to all the minorities in India. So long as no formula of general application to all the minorities has been discovered

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Chair regrets very much that it has once again to interrupt the Honourable Member. Throughout the whole morning the House has discussed the general question of communal representation in the services, and the Chair hopes the Honourable Member will confine himself to the specific point before the House, namely, the paucity of Muslims in the Postal Department.

Sardar Sant Singh: I was developing this argument with the purpose of coming to the motion now before the House. My simple point is this: that such a motion would not have come before the House and would not find a place in our annual cuts when the Budget supplies are granted by this House, if we can discover a simple formula governing all the minorities. My submission is that I was trying to develop this point that, under the pretence of minority community, we find nepotism finding place in all the services. If an official appointed to a high post is asked to recruit a member of a minority community, he invariably thinks in the terms of the Muslim community. The other day I asked a question whether in a particular office, any member of the Sikh community had been taken, and received the reply that the Department had asked for a member of the minority community and the Public Services Commission recommended a Muslim. That is not an isolated case; it is the case all round. The other minorities are constantly ignored. I do not know how long Anglo-Indians will go on occupying places of advantage in all the Departments and particularly in the Telegraph Department; but the day is sure to come, if the claims of other communities are to be recognised, when they will have to yield place to the Muslim and the Sikh and others as well.

Lieut.-Colonel Sir Henry Gidney: That is a violation of facts.

Sardar Sant Singh: My friend just now wanted to compare the number of Anglo-Indians which are to be found in the Telegraph Department today and the number which was there some years back, say, ten years ago. He tried to make out that they have got a claim over the Department, because they have served well or efficiently in that Department. I do not want to dispute the fact of efficiency of service which they have been rendering, but I do want to ask one question of my gallant friend . . .

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Chair wants to draw the attention of the Honourable Member once again that the House is not discussing the question of Anglo-Indian representation.

Sardar Sant Singh: My submission is that if Muslims are to find a place in the Telegraph Department, they must replace some community: and which community are they going to replace?

Lieut.-Colonel Sir Henry Gidney: The Sikh community. (Laughter.)

Sardar Sant Singh: Very good: I am glad that my friend has come out with a very good reply: if they want to replace us or if the Muslims want to replace us, I offer them the places we have got. (Laughter.) In the Postal and Telegraph Department, we have not got many posts, and if Muslims want to replace us, they will find that they will have to start another agitation against some other community which is monopolising all the places in that Department.

Coming to the case of the Punjab, which my friend, Sir Henry Gidney, entirely tried to avoid, this Province really controls the whole situation. The difficulty in that Province is that, unlike other Provinces, there are three communities there: the Muslims want places "in this Circle: the Hindus want to hold on to what they have already got; and the Sikhs want to replace some of the Europeans and Anglo-Indians as well. What we complain is that, in this Department, the Sikhs have not got posts even according to their population basis, and, consequently, they have had to address the Department several times on this subject that there should be adequate representation of their community in this particular Department.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I may say in this connection that I have always received courtesy from the Department whenever I had an occasion to address the Director General on the subject of Sikh grievances, but still there is a large leeway to be made up. Therefore, I will request the Government that, if they want to settle this question once for all they should settle it on equitable grounds, on grounds which can reasonably satisfy all the communities and not on the grounds on which the Communal Award has been based. We do not want another agitation as is going on against the Communal Award in the country. We want a just distribution of seats amongst all the communities.

Rao Bahadur B. L. Patil (Bombay Southern Division: Non-Muham-madan Rural): Sir, I support the motion moved by my Honourable friend. I do so, because I appreciate the spirit in which it is moved, and not because I support every word of his speech. After hearing the agonising speeches throughout the whole of this day, I am of opinion that we should go to the root of this question. In my humble opinion, the entire trouble is due to the system of giving fat salaries to the services. When I say so, I particularly refer to the highest grades of salaries, not only of Indians, but of the members of the Indian Civil Service. If we look to the salaries paid in other countries, according to my information, it is simply scandalous that in this poor country such high salaries should be paid both to Indians and to Europeans serving in India. I am raising the general question . . .

Mr. President (The Honourable Sir Shanmukham Chetty): What general question?

Rao Bahadur B. L. Patil: With regard to the services.

Mr. President (The Honourable Sir Shanmukham Chetty): It cannot be done. There was a very full discussion lasting for three hours this morning on the general aspects of communal representation and the Chair cannot allow a discussion once again on that topic. The discussion now must be confined to the paucity of Muslims in the Postal and Telegraph services.

Rao Bahadur B. L. Patil: I bow to your ruling. I was simply mentioning one of the remedies to do away with this evil.

Now, Sir, when I support the motion, I do so, because the object of my friend was to bring to the notice of Government the paucity that exists at present and to urge that that paucity must be done away with.

1966

LEGISLATIVE ASSEMBLY,

[9TH MARCH 1934.]

[Rao Bahadur B. L. Patil.]

That is certainly very fair. Nobody can say that if the various communities ask for their due representation in the public services, that would be encroaching upon the rights of any of the other communities. Therefore, with these words, I support the motion.

The Honourable Sir Frank Noyce: Sir, I propose to follow your ruling very strictly and to confine myself rigidly to the motion which is before the House in regard to the paucity of Muslims in the Posts and Telegraphs Department. I gather from my Honourable friend, Mr. Maswood Ahmad, that he would not have moved this motion at all had it not been that he wished to use the figures in the annual report of the Posts and Telegraphs Department in order to confute my Honourable friend, Mr. Lalchand Navarai. In those circumstances, I cannot but feel that his grievances against my Department are not of a very serious character. He has read out to the House a number of figures which show that the representation of Muslims in the Posts and Telegraphs Department is certainly on the low side, possibly in some branches on the very low side, but I have had occasion to remind him and other Honourable Members on the floor of this House for many Sessions past that those figures are the result of past history. What we are concerned with today, Sir, is the present, and what I have to ask the House to do is to turn its attention to the figures of new recruitment during 1932. I have to be judged, my Department has to be judged, by those figures, and it is for the House to decide by them to what extent the Department is carrying out the policy of Government in regard to recruitment from minority communities. I maintain, Sir, that the figures of new recruitment,—I may mention in passing that the figures are compiled for the calendar year and not for the official year, but this is not a point of any material importance in judging them,—I maintain that those figures amply prove that we are carrying out that policy in regard to new recruitment. The total number of new recruits for 1932 amounted to 1,957. Of those, 1,101 were Hindus, 470 were Muslims, 22 domiciled Europeans and Anglo-Indians, 38 Sikhs, 62 Indian Christians and 264 Members of other minority communities. The House will see that the proportion of Hindu recruitment was somewhere in the neighbourhood of 55, and that that from other communities was 45. I maintain, Sir, therefore, that the figures show that ample justice has been done to minority communities as a whole.

Turning to the special case of Muslims, the figures show that 470 Muslims were recruited out of 856. The proportion of Muslim recruitment is thus in the neighbourhood of 24, which, I think, is not an unsatisfactory figure, and my Honourable friend, Mr. Maswood Ahmad's contention that the other minority communities got the greater proportion of the spoil is not borne out by the fact that 470 recruits came from the Muslim community and 386 from the other communities. He said, Sir, that he was reading out these figures, because he wished to bring them specially to my notice as he thought that, in the course of my other multifarious duties, they might have escaped my attention. My Honourable friend, Sir Thomas Ryan, will bear me out when I say that this was the first part of his very lucid and interesting Report that I looked at, and that I have had some discussions with him on this subject, especially in regard to the figures for "other communities" given in the last column. There is reason to believe that some of those included in that column were

THE GENERAL BUDGET—LIST OF DEMANDS.

1967

actually Muslims. I am going into that matter to find out exactly what the correct position is, but if the suspicion I have on the subject is correct, the figure of Muslim recruitment is even higher than 24. I trust, Sir, that I have convinced the House that I and my Department are guiltless in this matter and that we are carrying out the orders of Government in the strictest . . .

Mr. M. Maswood Ahmad: Is that the percentage for gazetted staff as well?

The Honourable Sir Frank Noyce: My Honourable friend will realise, when he turns to the question of gazetted staff, that it is very difficult to divide up two appointments. There were only two gazetted officers recruited last year, both for the Superior Telegraph Engineering and Wireless Branches, appointments in which are of a very technical character and for which technical qualifications are required. But I am glad to be in a position to re-assure him even on that point. I understand that further recruitment has been made recently and that one of the appointments is being filled by a Muhammadan. My friend, Sir Thomas Ryan, is prepared to go a little further, and he tells me that it is a case of one "at least". Therefore, even with regard to gazetted staff, I trust I have re-assured my Honourable friend.

Then, Sir, he made rather a serious charge in the course of his speech,—if I heard him correctly,—I rather hope I did not,—he said something about officers in the Department being superseded because of their partiality . . .

Sir Muhammad Yakub: Not for showing partiality, but for doing justice.

The Honourable Sir Frank Noyce: For doing justice. That is a very serious charge, and I should be very glad if he would substantiate it either on the floor of this House or outside by sending me details privately. I have not the slightest doubt myself that there is no foundation whatever for it. In any case, if an officer is superseded, he has the right of appeal to the Government of India. I personally have had no appeal from any officer who says that he has been superseded on the ground that he has shown justice, shall I say, or even partiality to any particular community.

My friend then mentioned the question of advertisement. He said, why not advertise, and advertise in one Muslim paper only, so that you may make sure of getting suitable Muslim candidates. Well, Sir, I regret to say that my experience in regard to appointments of this kind is that no advertisement is necessary. I think heads of Departments, judging from the number of youngmen who come to me personally in order to secure jobs, must be flooded with applications from well qualified candidates, Muslims and Non-Muslims, Hindus, Sikhs, Indian Christians and members of other communities. Also, Sir, it has to be remembered that most of the postal recruitment is in the Circle itself, and that, if there is a vacancy in any particular Circle, everybody knows about it at once. I am, however, prepared to meet my friend to this extent,—I am prepared to ask the Director-General to issue instructions that no excuse for not filling a vacancy reserved for a minority community, including, of course, the Muslim community, no excuse that no suitable candidate is forthcoming will be considered, unless the vacancy has been advertised or unless reference has been made to suitable organizations.

[Sir Frank Noyce.]

There is only one other point to which I need refer. I was somewhat surprised that my Honourable friend, Maulvi Shafee Daoodi, should have raised the question of the recognition of communal unions. The policy of the Government in that matter has been stated time and again on the floor of this House, and there has been and will be no departure from it. The staff of the Posts and Telegraphs Department have a choice of unions, of non-communal unions, there are two or three of them, and they can go to the one which is most likely to act effectively on their behalf.

Sir Muhammad Yakub: What about the thing that Sir Henry Gidney has said about breaking the fortifications

The Honourable Sir Frank Noyce: The Telegraph Branch of the Department has two big unions, both of them, of course, non-communal.

Sir Muhammad Yakub: I was talking of the breaking of fortifications of the Superintendents, to which Sir Henry Gidney referred.

The Honourable Sir Frank Noyce: I think, Sir, that is all I have to say. I trust that I have given the Honourable Member a reply which will convince him that there is no substance in his charges against my Department, and that he will withdraw his motion.

Mr. Gaya Prasad Singh: Sir, I should like to add just one or two words to this debate. In the first place, I should like to refer to one remark which my Honourable friend, Sir Henry Gidney, has made. I do not know whether I was able to understand him properly or not, but this is what he seems to have said—that the Anglo-Indian community have served well and efficiently in the Postal and Telegraph Department, and that is why their number should not be reduced in that Department.

Lieut.-Colonel Sir Henry Gidney: I did not say that.

Mr. Gaya Prasad Singh: If my Honourable friend has not said that, I have nothing to say. There is one point which has been referred to by my Honourable friend, Mr. Shafee Daoodi, that the Muslims have suffered in the Postal and Telegraph Department. If a job is going vacant and if a number of candidates apply for the post and the post is given to the most suitable, or best qualified candidate, I do not think that it lies in the mouth of the disappointed candidates or their proteges, to whatever community they may belong, to say that suffering has been inflicted upon those who have not been selected. My Honourable friend also went further and referred to Muslim unions. He said that unions were formed to snatch away jobs from other communities. I have taken down correctly the exact words which he has uttered. If I am mistaken in this, I would give an opportunity to my Honourable friend to say that he did not say the words "snatch away jobs from other communities". My Honourable friend's silence is significant.

Maulvi Muhammad Shafee Daoodi: Unions are formed to keep a watch over the rights of the community.

Mr. Gaya Prasad Singh: Unions are not formed to watch the interests of the communities. Unions are formed to watch and to look after the

legitimate interests of those who are employed in particular Departments for which the unions are formed. Now, for instance, if there is a union in the Posts and Telegraphs Department, it is not the business of that union to try to provide more jobs for the members of that particular community, whether Hindus or Mussalmans. Unions are formed only to look after the legitimate interests of the members of that service, and to represent in a legitimate manner the grievances of the members of that service. Once people belonging to different communities have entered a particular Department of the Government, they should cease to think that they belong to different communities in regard to the performance of their duties, or in the matter of promotion and other things. There the discipline of the Department must be maintained, and the rules must be followed. Whether the member of the union is a Hindu, or a Mussalman, or a Sikh, or a Christian, is an immaterial point for consideration. As soon as they come into the Department, they should abide by the rules of that Department and represent the legitimate interests of the employees as a whole and not of a particular section of it.

Maulvi Muhammad Shafee Daoodi: This is the position which the Mussalmans of the Frontier Province have taken up, but the Hindus, who are in the minority there, are taking exception to it.

Mr. Gaya Prasad Singh: What I am saying is of universal application. I am not here to justify the attitude of the Hindus of the Frontier Province if they are wrong and if they have taken up this attitude. What I am laying down is a principle which ought to be of universal application, whether the men belong to the Hindu community, or the Moslem community or any other community.

Sir Muhammad Yakub: But this ought to be left to the judgment of an impartial officer.

Mr. Gaya Prasad Singh: And the impartial officer is the head of the Department who has very rightly refused to recognise communal unions. In this connection, I have information that a Member of this House wanted to form a Muslim organisation, a separate Muslim employees' organisation on the B. and N. W. Railway, and that he went so far as to see a high official of that railway who very rightly refused to recognise a communal organisation of that character.

An Honourable Member: Who is that Member?

Mr. Gaya Prasad Singh: I should not name him. I should like to be enlightened on one other point. There is a report that certain Muslim gentlemen, probably including some Members of this House, waited in a deputation on a high official of the Government to protest against the appointment of Mr. Bewoor as the Director-General of Posts and Telegraphs in succession to my Honourable friend, Sir Thomas Ryan, whose tenure of office has been so eminently successful. And the protest is based on the ground that the interests of the Muslim community will not be safe in his keeping. May I pause for a reply to this statement of mine?

Mr. President (The Honourable Sir Shanmukham Chetty): It is not necessary for the Honourable Member on behalf of Government to answer every question that is asked. The Chair would strongly deprecate the asking of questions about individual officers of Government, the result of

[Mr. President.]

which will be an absolute demoralisation of the services. If there is any attack to be made on the Department, the attack should be against the Honourable Members in this House who represent the Department and not against officers who are not here.

Mr. Gaya Prasad Singh: I am very glad that you have made this point clear. I would go much further and deprecate most strongly any attempt on the part of Members of this House or outsiders to wait in a deputation on an Honourable Member of Government and try to prejudice the appointments of the most capable men who may be selected by the heads of the Departments concerned. The silence of my Honourable friends on the Treasury Benches is significant.

The Honourable Sir Frank Noyce: I strongly resent the statement that there has been silence on my part. You, Sir, interfered and ruled that there was no necessity to answer the question. I have merely followed your ruling.

Mr. Gaya Prasad Singh: In the explanation which my Honourable friend, Sir Frank Noyce, has offered, he has not substantially denied that a deputation waited on him. I need not pursue the matter.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair deprecated the asking of questions on the part of the Honourable Member and the Honourable Member is still pursuing in that strain. He cannot infer anything from the silence of Sir Frank Noyce.

Mr. Gaya Prasad Singh: I am not asking for a reply, but I am making a statement, an emphatic statement that if any deputation of the Muslims, whether of certain Members of this House, or outsiders, has waited in deputation upon any Member of the Government, then it is a very disgraceful act on their part.

Sir, I made my observations rather in some detail on the former occasion, and, therefore, I do not want to repeat all that I said on the last occasion. Let us once for all end this communal wrangle on the floor of this House by whatever method it may be. Let my Honourable friends, the Muslim Members, enunciate some principle on which this communal wrangle could be solved once for all. I think it will be doing a great service to the country.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): On a point of order. I do not think it is desirable for an Honourable Member to ask the Muslim Members generally to put forward suggestions. If he has any solution to suggest, why should he not do it himself. Why should he call on Muslim Members alone to do it?

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): Is that a point of order?

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): The Honourable gentleman is doing a great injustice to the future Director-General, because he has directed the attention of the entire Muslim community to watch each and every action of that officer.

Mr. Gaya Prasad Singh: I hope the position of the future Director-General of the Posts and Telegraphs Department is so high up that he would not care to note what I or any other Member of this House or any one outside will think about him, so far as communal matters are concerned, but, Sir, there has been

The Honourable Sir Frank Noyce: I think it may perhaps tend to clarify the air if I say at once that I have received no deputation of Muhammadan Members of this House by way of protest against the appointment of Mr. Bewoor.

An Honourable Member: Withdraw the allegation.

Mr. Gaya Prasad Singh: What is there to withdraw? I understand from the statement of my Honourable friend, Sir Frank Noyce, that no Muslim deputation waited on any Member of the Government, any high official of the Government with regard to the future appointment. If that is so, I am certainly happy to know it.

An Honourable Member: Say you are sorry.

Mr. Gaya Prasad Singh: I am happy that no Muslim deputation waited on any high official sitting on the Treasury Benches.

I have already spoken at some length on the former occasion, and I really beseech my Honourable friends, whether they are Hindus or Muhammadans, to sink these differences and to come to some amicable settlement. My Honourable friend, Maulvi Shafee Daoodi, has been charging me with communalism.

Maulvi Muhammad Shafee Daoodi: Something worse.

Mr. Gaya Prasad Singh: My Honourable friend once belonged to a national organisation. He cut off his connection with that, and is now immersed in the communal organisation of which he happens to be the Secretary or some office-bearer. Will he point out that I belong to any communal organisation, whether it be the Mahasabha or any other body?

Maulvi Muhammad Shafee Daoodi: You belong to a much worse organisation.

Mr. Gaya Prasad Singh: Will the Honourable Member let me know what it is? Terrorist organisation?

Maulvi Muhammad Shafee Daoodi: I do not want to disclose it. I am not so dishonourable.

Mr. Gaya Prasad Singh: I certainly do not object to my Muslim friends having a legitimate share in the loaves and fishes of Government offices. I do not object to my Honourable friend, Sir Henry Gidney, pleading for a legitimate share for the members of his community, but to run down and indulge in a tirade against every other community is not the sort of thing which ought to be permitted in this House. I do not want to oppose this motion if my friend wants to press it to a division, because this motion in itself is a very insignificant thing. I am looking at it from a wider point of view, not from the point of view whether more jobs go to the Hindus

[Mr. Gaya Prasad Singh.]

or less to the Mussalmans or *vice versa*, I am visualizing a time when we will get full self-government. What will be the condition of our country if these communal wrangles continue? If a Hindu is placed in a responsible and high position, what will be the feeling of the Mussalmans subordinate to him, or if a Muslim, for instance, is placed in charge of a Department, what will be the feelings of the Hindus who have to work under him? This sort of acrimonious discussion is quite subversive of the discipline of the Department and I would, therefore, strongly deprecate it. I see that my friend, Maulvi Shafee Daoodi, is very impatient to criticise me. He has already spoken. I do not want to import any heat into this discussion. If I have done it, I am sincerely sorry for it. This is too serious a matter to indulge in acrimonious discussion, wherever it comes from. We should find out some *via media* by which an amicable settlement could be arrived at. My friend, Mr. Maswood Ahmad, has given notice under every demand "Paucity of Muslims". If there is any paucity in any particular Department, considered on a population basis or on the result of examinations or other standard of fitness, that must be rectified, but I do not want this occasion to be utilised for the fanning of communal bitterness which is so unpleasant to all of us. That is all I have got to say.

Dr. Ziauddin Ahmad: While the Honourable Member was speaking I was thinking of the speech of Antony, when he said everything he wanted to say, but punctuated it by the remarks "they were all honourable men". He says on every occasion that he is against the communal spirit and at the same time he is putting fire into the communal discussions. The Honourable gentleman put a question to Sir Frank Noyce. I put the reverse question. Has there ever been any post, even including the Members of the Viceroy's Council, about which one person or the other did not approach any Member of the Government about certain individuals? I myself approached in connection with the appointment even of Members of the Executive Council, but to speak to any Government officer about the appointment of certain individual is very different from giving expression to the feelings which my Honourable friend has done today. If I ask this question whether there exists any case in which no person approached any Government official in favour or against certain individuals in connection with any appointment, probably the answer would be "No". Some persons will always approach in favour of some persons. In this case, instead of doing any good, my friend, Mr. Gaya Prasad Singh, has really done harm to the cause he wanted to protect. I finish with this point at this stage.

Now, so much has been discussed about the recognition of communal unions. I did not want to discuss that in greater details as I have already written a chapter dealing with that topic in my book which I am going to publish and so I do not want to deal with it exhaustively but I want to draw attention to two points. One is that I studied this question of recognition of communal unions at Geneva. I saw every member at the Labour Office in the League of Nations, and I was given to understand for very good reasons that the Executive Government had no right by executive action to pass an order that a communal union should not be recognised and that it was really the privilege of the Legislature. The Legislature alone has a right to refuse recognition to unions of particular description. Now, if and when the Federal Court comes into existence in India, then the first case which they will have will be the case I will lodge against the executive action of the Government in usurping the power of the Legislature and refusing the recognition of the communal unions. This is the exclusive

privilege of the Legislatures and this does not come within the province of the Executive Government. But, in India, as we are hopelessly placed, the Executive have taken away and usurped all the powers of the Legislature, and we can do nothing. Now, as regards the point raised by my friend, Mr. Mitra, about the recognition of communal unions, I think whatever he has said is a noble ideal—an ideal which all of us have in view and which every country has in view, but if you study very carefully the history of the development of the unions in Holland, Belgium, Germany and every other country, you will find that, before that ideal was consummated, successive stages had had to be passed through. I will not refer to the case of Germany, because, on account of Hitlerism, all the intermediary stages have been traversed in months which would have taken years under normal conditions; but if you turn to Czecho-Slovakia, Poland, Holland and every other country, you will find that there are communal unions and they are recognised in the country.

An Honourable Member: What about Russia?

Dr. Ziauddin Ahmad: I deliberately refuse to consider Russia, because we are not following the Russian form of Government in this country. You will find that, in all these countries, in order to achieve this ideal, they have had to pass through several stages and they are still today recognising communal unions, because they believe that this is the quickest way of combining all the people together. Now, you cannot combine Hindus and Muhammadans by executive action of the Government, which is absolutely impossible. They can be combined only by mutual goodwill and mutual understanding, and we hope, when we work together with co-operation and goodwill—not the goodwill of the type just now exhibited by my Honourable friend over there—these things will be achieved. By the executive action of the Government we are going further and further away from the ideal which we all otherwise have in view.

Mr. C. S. Ranga Iyer: Sir, when the Honourable Member for Aligarh . . .

Mr. Muhammad Yamin Khan: He is not a Member for Aligarh.

Mr. C. S. Ranga Iyer: . . . when the Honourable Member who hails from Aligarh . . .

Mr. Muhammad Yamin Khan: He does not.

Mr. C. S. Ranga Iyer: . . . my friend no doubt hails from Meerut, but my Honourable friend over there hails from Aligarh.

Mr. N. M. Joshi: He represents the United Provinces Southern Divisions.

Mr. C. S. Ranga Iyer: I know more about the United Provinces than Mr. Joshi. Sir, when the Honourable Member who hails from Aligarh said that he abandoned his visit to Russia, I thought he was almost descending from communism to communalism. It may sound a paradox, but, really why should there be so much heat in this House? We are not discussing communism—and as for communalism, surely communism and communalism cannot go together.

Dr. Ziauddin Ahmad: They lead to each other.

Mr. C. S. Ranga Iyer: My friend thinks they lead to each other. I do not understand what he means. He says "communalism and communism lead to each other". I know the guillotine will come presently.

An Honourable Member: No, not for today.

Mr. C. S. Ranga Iyer: I know the guillotine will come after a few more talks that we have on communalism. But have we not talked enough on this subject? Are we not wasting the time of this House on this wretched question of communalism? Sir, I would urge that hereafter in this House—whether this Legislature is to be prolonged or ended—it should be possible for Honourable Members to discuss, on a Resolution, all that they have got to say on communalism so that when we come to the Budget, we as serious-minded people will take up Budget questions and not, as my friend, Sir Cowasji Jehangir, rightly said last year and with very great effect, discuss as to how many Hindus or how many Mussalmans are in this Department or that Department or the other Department. Sir, we are wasting the time of this House (Hear, hear) by the futile way in which we have been discussing communalism. I hope Honourable Members must be satisfied with the opportunity that they have got at question time, and I hope they will not disgrace this House as it has been disgraced not only to its own complete satisfaction, satisfactorily disgraced, but disgraced in the eye of the people. What a contrast the newspapers are seeing to the Assembly that they knew—to use Mr. Neogy's famous phrase on a historic occasion—what a contrast from the Assembly they knew to the Assembly that they see, a derogation to a position which is most deplorable!

Mr. M. Maswood Ahmad: Sir, I am sorry to see that my Honourable friend, Mr. Gaya Prasad Singh, has unnecessarily brought some heat into this question, but I think no one will take him seriously, because, as it is an old saying, whatever is in a bottle comes out, that is, the same thing which is in a bottle comes out. So what was in his heart, has come out.

I realise that it is now five o'clock, but I hope my Honourable friends will have the patience to hear me for two or three minutes. I shall relate a very short story. A man was going into the field, and for some necessity he sat down under a plum tree. A plum fell down and he took that plum and ate it. Afterwards, he went to the party where he was to go where dancing was going on. The dancing girl began a song:

"O-hi Ber Ki Batyan men Kah doongi."

The meaning is: "I will tell the story of the time of our love". *Ber* in Hindi means fruit, but *ber* in Urdu means plum. Now, he thought this *ber* was the same that he picked up and ate. He thought that the dancing girl saw him taking that *ber* or that plum from the ground and eating it, and now she sings that she will tell the story of plum eating. Taking that to be the plum which he ate, and getting afraid, he gave Rs. 100 to the dancing girl, but she thought that this song pleased him so much that he gave her Rs. 100 and so she went on singing "*O-hi ber ki batyan men kah doongi*", and so he gave out all the money he had in his pocket, and the songstress was repeating the same song. He was very much upset and annoyed and then he said with anger that now he himself would disclose the secret that he had taken a plum from the field and ate it when he sat under a plum tree.

Now, compare the story. I did not mention anything about the future Director General, Posts and Telegraphs, but my Honourable friend, Mr. Gaya Prasad Singh, when I talked about supersession and when I said that that injustice of favouritism in the form of supersession was going on in the Department, and when I talked about inefficient officers superseding the efficient officers and said that the seniority list was not looked into and that senior officers were superseded for no reason and so forth, he thought everything was for the future Director General, Posts and Telegraphs. There are so many Members who can realise that I did not say anything about the future Director General, Posts and Telegraphs, that he was inefficient or junior or anything else about him, but quite unnecessarily Mr. Gaya Prasad Singh has dragged him.

I am thankful to my Honourable friend, Sir Henry Gidney. I did not really mean to say anything against him or against his community. I merely wanted to inject some sort of energy into him, so that he might stand up and speak.

Sir, when I said in my first speech that I did not want to move my motion, it did not mean that I was not serious about it. The main thing was that I did not want to have this communal talk again on the floor of the House, but my Honourable friend, Mr. Lalchand Navalrai, pressed me to move it.

In reply to my Honourable friend, Sir Frank Noyce, I will only say this that the figures which he has quoted include menials as well. In that way, he has been able to make up that figure. But as he has promised to look into the matter, I do not want to press my motion, but I know that my Honourable friend, Mr. Amar Nath Dutt, is sitting in the House and he will not allow me to withdraw my motion.

Mr. Amar Nath Dutt: I will remain silent.

Mr. M. Maswood Ahmad: If other Members do not object to my withdrawing this motion, I have no objection to withdraw it.

Mr. President (The Honourable Sir Shanmukham Chetty): Has the Honourable Member the leave of the House to withdraw his motion?

Mr. Lalchand Navalrai: No, Sir.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

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

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 10th March, 1934.

LEGISLATIVE ASSEMBLY.

Saturday, 10th March, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

SURCHARGE ON INDIAN TEA IN NEW ZEALAND.

424. *Mr. E. Studd: (a) Are Government aware that there is in New Zealand a surtax of .67d. per pound on Indian tea entering the country, whereas there is no such surcharge in regard to Ceylon tea?

(b) Do Government propose to take early steps to make a representation to the New Zealand Government with a view to the abolition of this surcharge so that Indian tea may compete with Ceylon tea on equal terms in the New Zealand market?

The Honourable Sir Joseph Bhoré: (a) Yes, Sir.

(b) The matter is receiving consideration in connection with the question of a trade agreement with New Zealand.

Mr. E. Studd: Are Government aware that there is a strong feeling in the tea circles in New Zealand that this matter is being held up by India and not by New Zealand?

The Honourable Sir Joseph Bhoré: I am not aware of what is in the mind of tea circles in New Zealand.

Mr. S. C. Mitra: Is not New Zealand one of the Empire countries which enjoys some preference under the Ottawa Pact?

The Honourable Sir Joseph Bhoré: New Zealand gets perhaps a slight preference.

Mr. President (The Honourable Sir Shanmukham Chetty): New Zealand gets no preference.

The Honourable Sir Joseph Bhoré: I think she gets no preference.

ELECTION OF SIR HUGH HANNAY TO SERVE ON THE COMMITTEE OF THE BENGAL CHAMBER OF COMMERCE, CALCUTTA.

425. *Mr. Gaya Prasad Singh: (a) Has the attention of Government been drawn to a report published in the *Statesman*, dated the 24th February, 1934, Calcutta town edition, in which it is stated that Sir Hugh Hannay has, among others, been elected to serve on the Committee of the Bengal Chamber of Commerce, Calcutta, for 1934-35?

(b) Is not this gentleman Agent of the East Indian Railway and is it open to a Government official to serve as a member of a body like the Bengal Chamber of Commerce?

(c) Is it a fact that officials not only of the East Indian Railway, but also of the Eastern Bengal Railway and the Bengal Nagpur Railway administrations, and the Calcutta Port Trusts are members of the Bengal Chamber of Commerce, and that no Government official is a member of the Indian Chamber of Commerce, and Bengal National Chamber of Commerce, Calcutta?

Mr. P. R. Rau: (a) and (b). Yes.

(c) I would invite my Honourable friend's attention to the reply given by Sir Alan Parsons to question No. 421 by Mr. Vidya Sagar Pandya on the 6th February 1929. In that reply it was stated that Government considered it desirable, both in the interests of Railways and trade generally that Agents of railways should be members of associations representing important interests in the commercial life of the country. The Agents of the three railways in Calcutta are members both of the Bengal Chamber of Commerce and of the Indian Chamber of Commerce by invitation. Similar invitations from other representative associations of importance will always receive the cordial consideration of the Railway Board.

Mr. N. M. Joshi: May I ask whether these gentlemen vote in their meetings?

Mr. P. R. Rau: I suppose so.

Mr. M. Maswood Ahmad: Is it open to a Government official to serve as a member on a body like this?

Mr. P. R. Rau: Obviously, Sir.

Mr. K. C. Neogy: Is it not a fact that the Committee of the Bengal Chamber of Commerce occasionally criticises the Government policy? If so, what position does an official of Government occupy on such occasions?

Mr. P. R. Rau: In that case I presume that a member, who is debarred because of his official position from criticising the actions of Government, will not take part in the discussion.

Mr. K. C. Neogy: Will the Honourable Member satisfy himself that that rule is followed invariably?

Mr. P. R. Rau: Has my Honourable friend any reason to believe that it is not followed?

Mr. K. C. Neogy: I have none, but I want my Honourable friend to satisfy himself that it is followed.

Mr. P. R. Rau: In the absence of anything to the contrary, I presume that it is followed.

Mr. Gaya Prasad Singh: Is it open to a Government official to become a member of an organisation which indulges in criticism of the Government?

Mr. P. R. Rau: I do not think that that Association is intended primarily to indulge in criticism of Government.

Mr. N. M. Joshi: May I ask, Sir, whether the Government Servants' Conduct Rules apply to these Agents?

Mr. P. R. Rau: They certainly apply to the Agents of State-managed Railways.

Mr. N. M. Joshi: In that case, can they really join an organisation which takes part in politics?

Mr. P. R. Rau: No, Sir. They are interested more in the commercial part of the work of the Chamber.

Mr. N. M. Joshi: I am not suggesting in what they are interested, but the Chambers of Commerce do not boycott politics. In fact, they take part in politics. I want to know whether Government servants can join such bodies?

Mr. P. R. Rau: I believe this question was discussed at some length in 1929 and it was more or less the opinion of this House also that it was desirable that the Agents of Railways should be members of Associations which are generally and primarily concerned with the commercial life of the country.

Mr. N. M. Joshi: May I ask, Sir, whether the Government propose to consult this House again on this question?

The Honourable Sir Joseph Bhore: I do not think there is any necessity to do that.

Mr. Gaya Prasad Singh: Will Government kindly state how an expression of opinion of this House was sought approving the participation of a Government official in an Association which indulges in political criticism? Will the Honourable Member kindly read out the reference to which he has alluded?

Mr. P. R. Rau: I think perhaps I went a little too far when I said that it was the opinion of this House. What I meant to say was that it was in response to what was considered the opinion of some parts of the House that Government took the action.

Mr. Gaya Prasad Singh: Will the Honourable Member kindly refer even to that limited application of his statement?

Mr. P. R. Rau: I have already referred him to the reply given by Sir Alan Parsons to question No. 421 by Mr. Vidya Sagar Pandya. That question referred to a question by Mr. Neogy on the 12th September, 1928. I would ask my Honourable friend to study those questions again.

Mr. N. M. Joshi: May I ask, Sir, whether Government pay any membership subscription to these Chambers of Commerce?

Mr. P. R. Rau: I should like to have notice of that question.

Mr. S. C. Mitra: Will Government consider the question whether it is necessary for a Government official to become a member of an Association like the Bengal Chamber of Commerce, which is not merely a commercial body, but is interested more in political matters? Of course, in special matters Government Members may be invited, as the Honourable the Commerce Member and other Members are invited, to some of the Conferences.

The Honourable Sir Joseph Bhore: Sir, I shall certainly go into this matter. I did not know that it was likely to arouse such interest, and I must confess that I have not applied my mind to it. But I shall certainly look into the matter.

†426*—430*.

INSTALLATION OF WATER METERS IN GOVERNMENT QUARTERS IN NEW DELHI.

431. *Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that the sanction of the Standing Finance Committee was obtained on the 3rd December, 1932, for a non-recurrent expenditure of Rs. 95,500 for the provision of water meters to be installed in the orthodox clerks' quarters in New Delhi and that they were purchased by Government through the Indian Store Department?

(b) Is it a fact that the tenants of those quarters are paying an extra rent for the water consumed at six annas per one thousand gallons over and above the ordinary water tax of Rs. 1-8-0 per month since the meters have been installed, excluding the water meter rent of rupee one?

(c) Is it a fact that it is laid down in the Supplementary Rules 329 and 335 that both electric and water meters are fixtures for which no rent is chargeable?

(d) Will Government be pleased to state why rent for water meter is charged?

(e) What has the municipality got to do with the meter business in respect of Government buildings in view of the rules referred to in part (c)? Do Government propose to ask the Municipality to discontinue charging the Government tenants of rent for water meters?

(f) What improvement in income, excluding the meter rent, has been made by installing water meters? What was the income during the year preceding the installation of meters and during a year after the installation?

Mr. G. S. Bajpai: (a) and (b). Yes.

(c) No.

(d) and (e). I would refer the Honourable Member to the reply given to Mr. Maswood Ahmad's starred question No. 1313 on the 7th December, 1933, and to connected supplementary questions.

(f) The installation of water meters has not increased the income of the Municipality. The rent charged for meters only covers depreciation, maintenance and interest charges, and was never intended to be a source of profit.

†These questions were withdrawn by the questioner.

BRITISH INDIAN DELEGATES OR SUBSTITUTE DELEGATES TO THE LEAGUE OF NATIONS.

432. *Sardar Sant Singh (on behalf of Sirdar Harbans Singh Brar): (a) Will Government be pleased to state the number of British Indians sent as delegates or substitute delegates to the League of Nations or other organisations connected with the League since its inception, and to state how many of them were Hindus, Muslims, Europeans, Parsis, Christians and Sikhs?

(b) Is it a fact that no Sikh has ever been sent? If so, why?

(c) Have Government been unable to find an able and qualified Sikh to be included among the delegation?

(d) Do Government propose to include one Sikh in this year's delegation?

The Honourable Sir Brojendra Mitter: (a), (b) and (c). The information is being collected and will be laid on the table.

(d) As the Honourable Member is aware, the selection of the Indian Delegation rests with the Secretary of State in consultation with the Government of India and Government are not at present in a position to make any statement on the composition of the next Indian Delegation to the Assembly of the League of Nations.

INDIANS APPOINTED AS TRADE COMMISSIONERS OR DEPUTY TRADE COMMISSIONERS.

433. *Sardar Sant Singh (on behalf of Sirdar Harbans Singh Brar): (a) Will Government be pleased to state the total number of Indians who have been appointed as Trade Commissioners or Deputy Trade Commissioners? How many of them were officials and how many non-officials?

(b) Were any appointments made during the years 1932 and 1933?

(c) Do Government propose to make any appointments this year? If so, how many?

The Honourable Sir Joseph Bhore: (a) The number of Indians appointed as Indian Trade Commissioner or Deputy Trade Commissioner is two, both of whom are officials.

(b) No, Sir.

(c) Yes, to the post of Deputy Indian Trade Commissioner, London, when vacated by the present incumbent.

Mr. K. P. Thampan: May I know if there are any Sikhs among them?

The Honourable Sir Joseph Bhore: Yes, Sir. The present Deputy Indian Trade Commissioner in London is a Sikh gentleman.

ARRIVAL OF DOCTORS FROM GERMANY TO SET UP PRACTICE IN INDIA.

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

(a) whether it is a fact that during the last few weeks quite a number of doctors from Germany have landed in Bombay with a view to set up practice in this country; if so, the approximate number that has so far arrived;

- (b) whether those doctors are mostly German Jews;
- (c) the reason or reasons which they have gathered so far for which those doctors have left their own country and have turned their attention towards this country with a view to establish themselves in practice here;
- (d) whether it is a fact that doctors with British qualifications are prevented by reason of long established conventions from advertising themselves;
- (e) whether it is also a fact that in Germany the medical practitioners do not labour under such restrictions;
- (f) whether British and Indian medical men are allowed to practise in Germany without restriction;
- (g) what steps they propose to take forthwith in order to check the competition to which our local medical men would be exposed through the unrestricted activities of the foreign arrivals; and
- (h) whether in view of the impending danger to our local medical profession they propose to call a meeting of the Indian Medical Council in Delhi in order to counteract the evil at the very outset?

Mr. G. S. Bajpai: (a) to (g). Certain information has been called for and answers will be given on its receipt.

(h) No. The matter does not primarily concern the Medical Council of India.

Mr. S. C. Mitra: Are the Government of India also aware that there is a substantial volume of public opinion in favour of inviting or welcoming distinguished scientists or medical men to India from other countries of the world?

Mr. G. S. Bajpai: I am very glad to hear that.

EARTHQUAKES IN INDIA AND ESTABLISHMENT OF SEISMOLOGICAL STATIONS.

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

- (a) whether they have kept a record of the earthquakes of small or great intensity that have occurred in India during the last 63 years;
- (b) if so, the names of places where they occurred and their dates;
- (c) whether there is any whole-time Seismologist attached to either their Geological Survey Department or their Meteorological Department;
- (d) whether there are Seismological stations in India;
- (e) if so, how many and in what places;
- (f) whether it is a fact that a smaller country like Germany has got more than half a dozen Seismological stations;
- (g) whether it is also a fact that Japan has not only got Seismological stations scattered all over the country but has also got Seismological institutes for the regular study and investigation of earthquake affections;

QUESTIONS AND ANSWERS.

1983

- (h) whether in view of the latest earthquake havoc they propose forthwith to consider the establishment of a well-equipped Seismological station with a whole-time officer somewhere near the epicentre of the last earthquake;
- (i) whether they will also set up such a Seismological station in the North-East of Assam close to the mountains?
- (j) whether they propose forthwith to undertake survey and investigations of the different likely parts of the country through the help of the Etvo's Torison Balance in order to find out what really lies below the alluvial soil in those regions;
- (k) whether there is already an Etvo's Torison Balance in the Punjab Research Laboratory at Lahore;
- (l) whether some men have already been trained to work that Balance; and
- (m) if so, whether some of those men are proposed to be employed to undertake the investigation of some spots with the help of that Balance?

The Honourable Sir Frank Noyce: Information is being collected and will be placed on the table of the House in due course.

UNSTARRED QUESTIONS AND ANSWERS.

RETIREMENTS IN CERTAIN CADRES OF THE POSTS AND TELEGRAPHS DEPARTMENT.

161. **Mr. S. C. Mitra:** Will Government be pleased to state:

- (a) the total number of voluntary retirements; and
- (b) the total number of compulsory retirements of officials in the
 - (i) Post Office and Railway Mail Service traffic;
 - (ii) Offices of the Postmasters-General; and
 - (iii) Telegraph Department traffic;

during the period between April, 1932, and February, 1934?

Sir Thomas Ryan: Information has been called for and will be laid on the table in due course.

BRIDGE OVER THE RIVER NARBADA NEAR BROACH.

162. **Nawab Naharsingji Ishwarsingji:** Are Government aware that a new bridge over the river Narbada near Broach is under construction? If so, will Government be pleased to state when it is to be completed?

The Honourable Sir Frank Noyce: The Honourable Member, presumably refers to the bridge being constructed by the Bombay Baroda and Central India Railway Company. It is expected that it will be completed in 1935-36.

1984

LEGISLATIVE ASSEMBLY.

[10TH MARCH 1934.]

**AMOUNT PAID TO GOVERNMENT BY THE RAILWAY DEPARTMENT AS
CUSTOMS DUTY.**

163. **Dr. Ziauddin Ahmad:** (a) Will Government be pleased to state the amount which the Railway Department paid to Government as customs duty in the year 1932-33?

(b) What amount has been provided for in the budget estimate for 1934-35?

(c) Under what demand was the sanction of the Legislative Assembly obtained?

Mr. P. R. Rau: (a) The amount of Customs duty on imported Railway Stores paid by the Railway Department in 1932-33 is about Rs. 13 lakhs.

(b) and (c). Customs duty is initially debited along with other items to Stores suspense which is a sub-head under demand No. 12—Open Line Works. It is not estimated separately.

IMPORT DUTY ON EXPOSED CINEMATOGRAPH FILMS.

164. **Rao Bahadur M. C. Rajah:** Will Government please state:

(a) what amount of money they have returned to the importers of exposed films in the shape of rebate on the drawback on the exposed films since 1922 up to date;

(b) what amount of net revenue they have retained after deducting the rebate on the exposed cinema films since 1922 up to date;

(c) what amount of money they have received in the shape of gross import duty on the exposed cinema films since 1922 up to date;

(d) what amount of revenue they have received in the shape of import duty on raw cinema films since 1922 up to date;

(e) what footage of raw films have been imported into the country from the United Kingdom and also from other foreign countries since the passing of the Ottawa Bill by the Central Legislature up to the end of 1933;

(f) what amount of revenue they have received after the operation of the Ottawa Bill as import duty on the raw films imported from the United Kingdom and other foreign countries up to the end of 1933;

(g) how they propose to distinguish between the Feature and the Topical Films with respect to the footage in order to calculate the import duty according to the proposed alteration of the valuation of the imported exposed films; and

(h) what amount of revenue they have received in the shape of income tax from the importing firms of the foreign exposed films as well as from the Indian Film Producing Companies?

The Honourable Sir George Schuster: (a) to (d). A statement containing so much of the desired information as is available is laid on the table.

(e) and (f). A statement is laid on the table.

UNSTARRED QUESTIONS AND ANSWERS.

1985

(g) The distinction between "Feature" and other films follows the practice of the trade.

(h) No information is available.

(a) to (d). Statement showing gross revenue, draw-back and net revenue on exposed cinema films and gross revenue on films, not exposed during the years 1931-32 and 1932-33 and ten months April to January of 1933-34.

	1931-32.	1932-33.	1933-34 (up to January).
	Rs.	Rs.	Rs.
Gross Revenue on cinema films exposed	5,29,165	6,76,192	7,66,143
Amount of drawback paid	94,891	1,13,767	54,647
Net revenue	4,34,274	5,62,425	7,11,496
Gross revenue on cinema films not exposed.	2,34,009	2,72,178	2,96,622

(e) and (f). Statement showing imports of raw films into British India during the Calendar year 1933.

	Quantity.	Estimated duty.
	Length in feet.	Rs.
From United Kingdom	6,762,980	38,330
„ Germany	15,767,427	1,81,828
„ Belgium	5,019,169	44,301
„ United States of America	4,925,348	57,690
„ Other foreign countries	589,872	3,496
	33,064,806	3,25,645

ASSISTANT STATION MASTERS SENT TO THE RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI, FOR TRAINING, FROM THE DINAPUR DIVISION OF THE EAST INDIAN RAILWAY.

165. **Mr. M. Maswood Ahmad:** (a) Will Government please state the number of the Assistant Station Masters who have been sent to the Railway School of Transportation, Chandausi, for training, from the Dinapur Division of the East Indian Railway and how many of them are (i)

Bengalis, domiciled in Bihar and Orissa, (ii) Bengalis, not domiciled in Bihar and Orissa, and (iii) purely the residents of Bihar and Orissa?

(b) Do Government propose to see that the legitimate claims of Biharis are not overlooked when the Assistant Station Masters are sent for training to that School?

(c) Are they prepared to consider the desirability of fixing a percentage for Biharis? If not, why not?

Mr. P. R. Rau: (a) Government have no information.

(b) and (c). The question of selecting people for training is one within the competence of the railway administration. Government are not prepared to fix a percentage for inhabitants of any particular province.

MEMORIAL FROM THE MEMBERS OF THE DELHI EX-ROYAL FAMILY
RESIDING IN LUCKNOW.

166. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the members of the Delhi ex-Royal family, residing in Lucknow, submitted a memorial to His Excellency the Viceroy and Governor General of India on the 25th November, 1933?

(b) Will Government please state whether it is a fact that they have not granted any stipend to these members of the Delhi ex-Royal family out of the interest of Rs. 38,000 invested for such purpose by the Viziers of Oudh in the shape of cash and landed property? If so, why?

(c) If the reply to part (a) above be in the affirmative, will Government please state what action has been taken on the memorial? If no action has yet been taken, when is it likely to be taken?

(d) Do Government propose to lay a copy of the memorial referred to in part (a) above on the table of the House? If not, why not?

Mr. H. A. F. Metcalfe: With your permission, Sir, I will answer questions Nos. 166-169 together. The information is being collected and will be laid on the table in due course.

FACILITIES FOR THE EDUCATION OF THE CHILDREN OF THE MEMBERS OF
THE DELHI EX-ROYAL FAMILY RESIDING IN LUCKNOW.

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

(i) whether they have provided any facilities for the education of the children of the members of the Delhi ex-Royal family, residing in Lucknow; if so, what;

(ii) whether any scholarships are granted to these children for their education; if not, why not?

REPRESENTATION IN THE LEGISLATIVE ASSEMBLY AND THE UNITED
PROVINCES LEGISLATIVE COUNCIL FOR THE MEMBERS OF THE DELHI
EX-ROYAL FAMILY RESIDING IN LUCKNOW.

†168. **Mr. M. Maswood Ahmad:** (a) Will Government please state whether they have ever considered the question of giving representation in the Legislative Assembly and the United Provinces Legislative Council

†For answer to this question, see answer to question No. 166.

to the members of the Delhi ex-Royal family, residing in Lucknow? If so, with what result?

(b) If the answer to part (a) above be in the negative, do they now propose to consider this question with a view to bringing it to the notice of the Secretary of State for India and the Joint Select Committee of the Parliament? If not, why not?

EMPLOYMENT IN GOVERNMENT SERVICE OF THE MEMBERS OF THE
DELHI EX-ROYAL FAMILY RESIDING IN LUCKNOW.

†169. **Mr. M. Maswood Ahmad:** Will Government please state whether any facilities exist for the employment in Government service of the members of the Delhi ex-Royal family, residing in Lucknow? If so, what are those facilities?

PROMOTIONS IN THE CLERICAL ESTABLISHMENT OF THE GOVERNMENT OF
INDIA PRESS, NEW DELHI.

170. **Mr. M. Maswood Ahmad:** (a) Are Government aware that the gradation list is not followed in the Government of India Press, New Delhi, in making promotions in the clerical establishment?

(b) Is it a fact that whenever promotions in the clerical establishment are concerned, a so-called seniority list is prepared and are Government aware that this leads to favouritism and partisanship in the matter of promotions?

(c) Will Government please lay on the table of the House a copy of (i) the gradation list of the clerical establishment, (ii) seniority list of lower grade clerks and assistant computers, and (iii) seniority list of upper grade clerks and computers, as they stood on the 1st of April, 1933?

(d) Will Government please state whether the Controller of Printing and Stationery scrutinised the seniority lists sent to him by the Manager with his proposals for promotion and satisfied himself as to the correctness of the relative positions of the names therein, before issuing orders regarding promotions?

(e) If not, do Government propose to direct the Controller of Printing and Stationery to examine the seniority lists sent by the Manager, fix the seniority of the clerks and computers correctly, and give any men who have been overlooked, a trial in the higher grades, before confirming the men who have been promoted and who are now on probation? If not, why not?

The Honourable Sir Frank Noyce: (a), (b) and (c). No.

(d) Yes.

(e) Does not arise.

WITHDRAWAL OF THE RECOGNITION FROM THE GREAT INDIAN PENINSULA
RAILWAY WORKERS' UNION.

171. **Mr. S. G. Jog:** Are Government aware that the Great Indian Peninsula Railway administration have withdrawn the recognition accorded to the Great Indian Peninsula Railway Workers' Union? If so, what are the grounds for such withdrawal?

†For answer to this question, see answer to question No. 166.

Mr. P. R. Rau: Yes. Government understand that the Agent is of opinion that the spirit in which the operations of the Union executive are conceived render it unsuitable for him to accept the Union as representing the staff.

BAD SMELL COMING OUT OF THE SUGAR MILL IN BEGAMABAD IN THE MEERUT DISTRICT.

172. Mr. S. G. Jog: (a) Are Government aware that from the Modi Sugar Mill in Begamabad in the Meerut District a very nasty smell is given out, causing great inconvenience to the workers of the mill and even to the passengers travelling by the North Western Railway?

(b) What steps, if any, do Government propose to take to remove this long-felt nuisance?

(c) If Government have no information on the point, do they propose to make inquiry through the District Magistrate or the Factory Inspector?

The Honourable Sir Frank Noyce: (a) Government have no information.

(b) and (c). The Honourable Member is referred to section 9 (a) of the Indian Factories Act, 1911, and the rules made by the Government of the United Provinces which provide for the maintenance of factories in a clean and sanitary condition. The matter is one for which the provincial authorities are primarily responsible and the Government of India do not propose to interfere.

EXAMINATION FOR RECRUITMENT TO THE UPPER DIVISION HELD BY THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI.

173. Mr. Jagan Nath Aggarwal: (a) Is it a fact that a competitive examination for recruitment to the upper division was held by the Deputy Accountant General, Posts and Telegraphs, Delhi, in October, 1928?

(b) Is it a fact that none of the candidates, who were successful as a result of the said examination, have yet been substantively provided for?

(c) Is it a fact that a certain number of lower division clerks, who joined service after the said examination and qualified for upper division through the departmental examination as late as 1932, are going to be confirmed prior to those referred to in part (b)?

(d) Is it not a fact that lower division clerks, who joined service later and qualified for upper division through departmental examination later, will be confirmed earlier than those who passed a competitive examination before them and have longer service in the upper division? If so, what steps do Government propose to take to redress the grievances of the latter?

The Honourable Sir George Schuster: With your permission, Sir, I will deal with questions Nos. 173 and 174 together.

Enquiry is being made and complete replies will be laid on the table in due course.

UPPER DIVISION SENIORITY IN THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

†174. Mr. Jagan Nath Aggarwal: (a) Is it a fact that Mr. Jagat Prasad, as Accountant General, Posts and Telegraphs, determined the upper division seniority among direct recruits according to the length of service (both in the upper and the lower divisions)?

(b) Is it a fact that in contravention of the provisions of Article 16 of the Audit Code, Mr. S. A. Vaneshwar, while officiating as Accountant General, Posts and Telegraphs, reversed Mr. Jagat Prasad's decision without referring it to the Auditor General? If so, do Government propose to cancel Mr. Vaneshwar's order and refix the upper division seniority, if necessary, according to the terms of the competitive examination contained in the prospectus, and the provisions of paragraph 90 of the Manual of Standing Orders?

MUSLIMS, EUROPEANS AND OTHER NON-MUSLIMS IN CERTAIN CADRES OF THE NORTH WESTERN RAILWAY.

175. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state the number of Muslims, Europeans and other non-Muslims in the following cadres on the North Western Railway:

- (i) Traffic Inspectors.
- (ii) Station Masters in Grade II, III, IV, V, VI and VII,
- (iii) Assistant Station Masters in Grade II, III, IV and V, and
- (iv) Assistant Controllers?

(b) Will Government be pleased to state the number of vacancies that occurred in the cadres referred to in part (a) above during the years 1931, 1932 and 1933, and also state how many Muslims were recruited in each cadre in those vacancies?

(c) Will Government be pleased to state the number of Muslims at present on the waiting lists for appointment in the cadres referred to above?

(d) Is it a fact that the number of Muslims at present holding some of the above appointments is going shortly to be reduced? If so, why?

Mr. P. R. Rau: (a) The information available will be found in Volume III of Mr. Hassan's report on the representation of Muslims and other minority communities in the subordinate railway services, a copy of which is already in the Library of the House.

(b) to (d). Government have no information. The collection of the information required will involve a considerable amount of labour which Government do not consider likely to be justified by the results.

REDUCTION IN THE SCALES OF SUBORDINATES ON THE NORTH WESTERN RAILWAY.

176 Khan Bahadur Haji Wajihuddin: (a) Is it a fact that the scales of the senior and junior subordinates on the North Western Railway have been reduced?

†For answer to this question, see answer to question No. 173.

(b) Is it a fact that the reduction in these scales was effected when a few Indians were admitted to these services?

Mr. P. R. Rau: I am not aware of what reductions my Honourable friend refers to. Revised scales of pay for new entrants to subordinate grades on the North Western Railway are still under preparation. The scales to be fixed will not be based on racial considerations.

TRAFFIC CONTROL IN KHARI BAOLI AND NAI SARAK IN DELHI.

177. Bhagat Chandi Mal Gola: (a) Are Government aware that one way traffic has been introduced in Khari Baoli and Nai Sarak at Delhi?

(b) Are Government aware that much inconvenience is caused to the public by this arrangement, and vehicular traffic is made to travel long distances?

(c) Has this scheme been introduced to avoid accidents?

(d) Will they kindly let this House know the number of accidents that occurred at those two places last year?

(e) Will Government kindly state what steps they propose to take for removing the inconvenience caused to public?

The Honourable Sir Harry Haig: I have made enquiries of the Delhi Administration and will lay a reply on the table in due course.

CLAIMS RECEIVED IN THE PENSION CONTROLLER'S OFFICE UNDER DIFFERENT RECOMMENDATIONS OF THE WAR PENSIONS COMMITTEE.

178. Mr. S. G. Jog: Will Government be pleased to lay a statement on the table showing:

- (i) the number of claims received in the Pension Controller's Office under different Recommendations of the War Pensions Committee;
- (ii) the number of claims sanctioned by the Pension Controller;
- (iii) the number of claims rejected by him;
- (iv) the number of claims referred to the Government of India, or to the Military Accountant General, and how many references have since been disposed of and in what way;
- (v) how many references are still under consideration; and
- (vi) how many references are made to the Secretary of State and under what Recommendations?

Mr. G. R. F. Tottenham: I am not able as yet to answer the Honourable Member but will lay a reply on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

179. Mr. S. G. Jog: (a) With reference to their answer to unstarred question No. 327, of the 14th December, 1933, laid on the table on the 30th January, 1934, upholding the view of the Deputy Controller of

Military Pensions, *vide* part (f) of their answer, will Government be pleased to state whether it is a fact that the Pension Controller, either on his own initiative, or under instructions issued from higher authorities, has been taking the discharge certificate, or such other evidence as exists on their record, to be unreliable for the purposes of discharging the onus accepted by them under the first part of Recommendation No. XII, stated in bracket (If there is any evidence on record to show that a man was discharged on medical grounds or that he was treated in a hospital during the War for a disability from which he is now suffering or from something that can be logically connected with that disability, the onus should lie on Government to show that he should not receive a pension)?

(b) In view of Government's answer to part (d) of the question stating "the fresh boards do not, however, question the findings and recommendations of the previous boards", is it under instructions from the Government of India, or is it on the initiative of the Pension Controller himself that they are taking an "adverse presumption" that the individuals of the category referred to in the question were not suffering from a pensionable disability, either under the "percentage method" of the 1922 rules or under the "degree method" of 1915 rules?

(c) In what way is Recommendation No. XIII—given here within brackets (No adverse presumption should be raised against an applicant owing to the loss or failure to produce records, which, according to the rule, should be permanently retained)—being given effect to by Government, or by the Pension Controller, when the claims or appeals are rejected for want of evidence, *vide* their answer to part (f)?

Mr. G. R. F. Tottenham: Questions Nos. 179, 180 and 181 are being examined and a reply will be laid on the table as soon as possible.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†180. Mr. S. G. Jog: (a) Will Government be pleased to state whether claims to family pensions, in which the cause of death was certified by medical officers attending on the death in military hospitals as genuinely attributable to "military service" were referred to the Government of India and the Government of India disagreeing with the decision of the medical officer, disallowed family pension to the widows and mothers of the deceased individuals? If so, why?

(b) Do not such claims fall within the competence of the Deputy Controller of Military Pensions under Recommendation No. V read with Recommendations Nos. III and IV of the War Pensions Committee?

(c) What probable time will the decision of the Government of India on references made by the subordinate offices in such cases as mentioned in part (a) above take, in the light of the Recommendation of the War Pensions Committee?

(d) Will Government please state the date on which unstarred question No. 328 of the 14th December, 1933 has been replied to? If the reply is not laid on the table yet, will Government be pleased to state when the same should be expected?

†For answer to this question, see answer to question No. 179.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

†181. **Mr. S. G. Jog:** (a) Will Government be pleased to state whether a disability pension, in the case of individuals who refused to undergo an operation was inadmissible under the 1915 rules? If so, will they please lay on the table a copy of the particular paragraph bearing on the point?

(b) Is it a fact that deaths, occurring in the course of operations, are, and have been regarded as "not attributable to military service" and consequently inadmissible for family pensions?

(c) Will Government be pleased to state to what extent they are prepared to act up to their orders on Recommendation No. X of the War Pensions Committee in allowing disability element of pension as against the spirit of the Memorandum of Instructions to Army Department letter No. A/49484-1(A.G.14), dated the 25th November, 1929, in which Government are said to have taken the view that they are not responsible to provide pension to the individuals of the category mentioned in part (a) above?

(d) Has the Memorandum mentioned in part (c) been given retrospective effect in the case of claims which arose during the War? If so, what is the authority for giving adverse retrospective effect?

(e) Is it a fact that the Deputy Controller of Military Pensions has held in his letter No. G/6885 the view that a disability, uncorroborated by any documentary evidence as to where it was contracted, cannot be presumed as having been contracted on field or foreign service? Is it in conformity with the Recommendations of the War Pensions Committee, Nos. XII and XIII, in the case of even those individuals whose discharge certificate shows that they were invalided from the field service and discharged by medical boards?

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

182. **Mr. S. G. Jog:** (a) Will Government be pleased to state if they have recently decided that in the case of individuals of about 29 years of service, invalided from field, and discharged as "unfit", the unfitness being nomenclatured as "old age" by the invaliding board, a disability pension is inadmissible under Recommendation No. V of the War Pensions Committee?

(b) Are they aware that in the United Kingdom "debility" is a pensionable disease, and there are thousands of awards for it?

(c) Have not there been cases in which the same conditions, as in "old age" might appear on account of certain diseases, over-exertion, or on account of one's being exposed to hunger, privation, etc.?

Mr. G. R. F. Tottenham: (a) and (b). There has been no recent decision such as is referred to. "Old age" and "debility" are not recognised as diseases, and these terms may not be used by invaliding boards.

(c) Government are not aware of any such case. In assessing disabilities, however, medical boards invariably take into account the medical aspects of all conditions of service.

†For answer to this question, see answer to question No. 179.

FIXATION OF PAY AND ALLOWANCES IN THE POSTS AND TELEGRAPHS DEPARTMENT.

183. **Rai Bahadur Lala Brij Kishore:** Will Government please state who is responsible for the fixation of pay and allowances, and to see that they have been correctly fixed according to the Fundamental Rules in the Posts and Telegraphs Department?

Sir Thomas Ryan: Questions Nos. 183, 184 and 185 are dealt with together. Presumably these refer to the pay and allowances of individual Government servants.

The Honourable Member is referred to Articles 17 and 18 of the Civil Account Code, Volume I. The various officers of the Indian Posts and Telegraphs Department who are authorised to draw bills either on their own behalf or on that of the staff, are primarily responsible for the correctness of the pay and allowances claimed, with reference to the Fundamental Rules and other orders of competent authorities. The amounts claimed are checked in the audit offices to see that they are admissible and amounts found to be overcharged are disallowed. The duties of Postmasters-General in this respect are those of a countersigning or appellate authority.

FIXATION OF PAY AND ALLOWANCES IN THE POSTS AND TELEGRAPHS DEPARTMENT.

†184. **Rai Bahadur Lala Brij Kishore:** Will Government be pleased to state the duties and responsibilities of Postmasters-General, and Audit Officers in respect of fixation of pay and allowances of the employees of the Posts and Telegraphs Department?

ENFORCEMENT OF THE FUNDAMENTAL AND SUPPLEMENTARY RULES, ETC. IN THE POSTS AND TELEGRAPHS DEPARTMENT.

†185. **Rai Bahadur Lala Brij Kishore:** Will Government please state who is responsible for the enforcement of the Fundamental and Supplementary Rules and other orders of the Government of India in the Posts and Telegraphs Department?

THE GENERAL BUDGET—LIST OF DEMANDS—contd.

SECOND STAGE—contd.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the Demands for Grants.

Compensatory Allowance for Lower Division Clerks and Sorters.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I beg to move:

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

Compensatory allowance in some shape or other is paid to all classes of Postal and R. M. S. employees including clerks in the selection

†For answer to this question, see answer to question No. 183.

[Mr. S. C. Mitra.]

grade and ordinary time-scale, postmen, head postmen, overseers and menial staff employed in certain costly or unhealthy localities and non-family stations such as Karachi, Alipur-Duars, Assam, Frontier outposts, etc. In some of these localities, the local allowances sanctioned by Local Governments are on a much higher scale than those sanctioned for Postal and R. M. S. employees and I understand that the question of equalising the compensatory allowances for the Postal and R. M. S. staff with the local allowances sanctioned for the Local Government staff is still under consideration of the Director-General who is in correspondence with the Finance Department on the subject. I would request him to expedite the decision of this long-standing question. The point that I raise now, however, is to bring to the notice of the Government the hard lot of the lower division clerks who have been denied any compensatory allowance whatsoever in localities where all the other classes of employees are getting such allowance. The matter being referred to the Director-General by the All-India Postal and R. M. S. Union, the latter was informed as follows:

"Under the existing orders of the Government of India, the grant of compensatory allowance or special pay is permissible to officials on the ordinary clerical time-scales of pay in certain specified localities, but that those orders are not applicable in the case of lower division clerks who are being employed in those localities. The latter will not, therefore, be entitled to draw compensatory allowance or special pay unless specific orders of the Governor General in Council are issued in respect of any particular case or cases."

The Director-General, I understand, is not prepared to move the Government of India in the matter in view of the present financial stringency. The claim of the lower division clerks to compensatory allowance, however, is as strong and legitimate as possible and even the Director-General has not refuted it. I personally believe that if there is any case for a special allowance, it applies much more in the case of lower division clerks who are the poorest paid in the service than others who draw bigger allowances and who can afford to pay to a certain extent from their salary. The Government have decided to introduce 33 per cent. lower division clerks in the Postal and Railway Mail Service, who perform most important and responsible clerical duties,—there is hardly any difference whatsoever between them and the ordinary time-scale clerks in so far as duties and responsibilities and educational attainments are concerned. They even officiate in leave vacancies of the ordinary time-scale clerks. Some of them were originally recruited for the upper division clerical appointments, but have been compelled to accept these lower division appointments on a much lower scale of pay, out of necessity. There are many graduates and undergraduates among them. It has been their misfortune to lose the chance of upper division clerical appointments due to the present financial stringency, but the Government are getting from them more than the money's worth and it will be an act of sheer injustice to deny them the compensatory allowance which is drawn by all other classes of employees employed at the same station. I, therefore, appeal to the Government to take their case into their sympathetic consideration and to amend the existing orders so as to make them applicable to this hard pressed class of officials as soon as possible.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Sir Thomas Ryan (Government of India: Nominated Official): Sir, I find myself for once in some measure of sympathy with my Honourable friend, Mr. Mitra, because I think it is true that in some instances at least, perhaps in the most expensive stations or where the conditions of service for one reason or another are particularly arduous, there may be a case for doing something for the lower division clerks. But in dealing with all proposals for increase of expenditure in the Posts and Telegraphs Department, I must have regard to the financial position of the Department as a whole, and it is unfortunately necessary for that reason to go slower in some directions than I might otherwise like to do. It is the case, as Mr. Mitra has explained, that I had declined to make any general recommendation to Government on behalf of the lower division clerks mainly for that reason. A subsidiary reason is that you cannot in fact argue merely from the circumstance that certain allowances are given to the upper division clerks and say that a corresponding allowance even on a reduced scale, should be given to the lower division clerks, because the whole question of the necessity for the allowances even in the case of the higher paid clerks is at present under review. Moreover, even if there be a good case for giving some allowance to lower division clerks in certain circumstances, I am afraid this is not the only claim we shall have to consider. There are various things which we should very much like to do for our staff and I am not certain that this is the claim that would require first consideration.

Certain Honourable Members of this House have from time to time drawn attention of the Government by questions and otherwise to the unfortunate position as regards pensions of some of the lowest paid employees of the Department. The scale of pensions for inferior servants is undoubtedly a very low one and Government have, I think, more than once recognised that the question of improving the pensions scale is one which must receive their consideration when circumstances permit. I am not at all certain that that case and other cases, which I need not now go into, may not deserve consideration before the question of improving the pay of the lower division clerks is taken up. I would mention that the lower division clerks are practically quite a recent introduction in the Posts and Telegraphs Department. It is a new class of employee and many of the present incumbents were promoted from the ranks of postmen and similar ranks and have obtained substantial improvement in their position and in their emoluments by being promoted to the lower division scale. I must also say that I differ a little from Mr. Mitra in describing the duties and the functions of the lower division clerks. He says, they are made to perform the most important and responsible duties. That, of course, is not quite accurate, they are expected to perform the least important and the least responsible clerical duties. Perhaps I might also mention that the question of the actual duties on which these men are employed and the reasonableness of employing men of that type on such duties is one of the matters which will undoubtedly engage the attention of the Postal Enquiry Committee which is shortly to be appointed, and I have no doubt that, in the course of that Committee's investigations, the question of the adequacy of the remuneration, whether it should be pay, or special pay, of these men will be fully gone into.

I think, Sir, I have said enough to show that our mind is not entirely closed on this question, but at the same time we cannot recognise that the time is ripe for admitting any general claim for improvement of their

[Sir Thomas Ryan.]

emoluments. There are, however, a few, as I have said, exceptional cases at least which do require particular attention and that attention these cases are already receiving in consultation with the Heads of Circles. I hope that in view of the certainty that this matter will be further reviewed, and that, as I say, our mind is not wholly closed in the matter will be of sufficient comfort to the Honourable Member and that he will not think it necessary in the circumstances to press this motion to a division.

Mr. S. C. Mitra: In view of the reply of the Honourable Member, I beg leave of the House to withdraw my motion.

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

Retrenchment policy adopted in the Posts and Telegraphs Department.

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

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

Sir, I am quoting a table compiled on the basis of Budget figures of 1930-31 and 1934-35 which will show the extent to which the retrenchment has already been effected in the Post Office and the R. M. S.:

No. of post offices abolished	497
No. of R. M. S. Record offices abolished	21
No. of R. M. S. Sorting and Transit offices abolished	9
No. of R. M. S. Sections abolished	33
No. of R. M. S. Sorters retrenched	468
No. of Postmasters, clerks, etc., retrenched	1,898
No. of Overseers and menials retrenched	2,654
No. of Postmen retrenched	3,146
No. of Inferior staff retrenched	1,004
	9,170

I have a grievous complaint to make against the Department in pressing that the post office in my own district town Noakhali, which had enjoyed the status of a head office since my infancy, was not exempted from the effects of the deadly axing operation and has been degraded to the status of a mere sub-office.

Not only are post offices and R. M. S. sections and record offices being abolished, but departmental sub and branch offices are being rapidly converted into extra-departmental branch offices, and, as a result of all these, a large number of clerks and sorters have already been discharged while yet in the prime of their youth and compelled to retire much before attaining the superannuating age of service. The postmen are being rapidly replaced by extra-departmental delivery agents on a small fixed allowance, and, in order to speed up this process, the Postmaster-General, Bengal and Assam Circle, has, it is understood, issued instructions to Divisional Superintendents and First Class Postmasters on the following line:

"As the retrenchment concessions will cease from the 1st April 1934 it is absolutely necessary in the interest of the officials retrenched that they should demit their respective offices before 1st April 1934 so as to enable them to avail themselves of the retrenchment concessions. The Superintendent of Post Offices, R. M. S. and 1st class Postmasters are therefore requested that they should carry out the retrenchment of

personnel in all cadres (excepting the clerical cadre—Selection grade and Upper Division scales) directly on receipt of the appropriate orders from the Establishment Branch of my office regarding the abolition of posts or reduction of posts to a lower status, strictly in accordance with Government orders copies of which are furnished to them".

And when Caesar says "Do this" it is done. The effect of this order will be apparent from the fact reported to me from Burdwan that the Divisional Superintendent has issued peremptory orders compelling ten postmen with services ranging from 15 to 29 years only to demit office from the 1st March, 1934, and it is strongly apprehended that 80 or 90 officials with services ranging between one and ten years will be similarly treated. Don't think that the same drastic step is being taken every where only in my own Circle, but everywhere in India to throw out junior postmen out of their jobs on the alleged ground of "consistently unsatisfactory record of services". Well, it is quite easy to give the dog a bad name before hanging it, as the adage goes, and considering that the "demotion" business is going on with lightening speed and no appeal is permitted up to the Director-General in such cases, the fate of these unfortunate postmen is sealed. The ordinance rule, it will appear, has been extended also to the Post Office.

As for the clerical cadre, the instructions issued in the same letter are as follows:

"As regards retrenchment in the clerical cadre (selection grades and upper division time scale) the Superintendent and first class Postmasters should, immediately on receipt of requisite orders from the Establishment Branch of my office regarding the abolition of posts or the reduction of posts to a lower status, report whether there are any vacancies in the upper division time scale for absorption of the surplus official and, in case, there are none, should make definite recommendations as regards retrenchment of personnel in this connection, treating all selection grade posts in the upper division scale as forming one cadre for the purpose of retrenchment".

It will appear from the above instructions that the fate of the clerks will be hardly better. It must be noted that under the Director-General's orders, the staff retrenched in one Division cannot be absorbed in vacancies in another, and, under this rule, the retrenched clerks will have no chance of being provided elsewhere.

I shall now bring to the notice of the Government the sad lot of the Dead Letter Office staff. At the time when Mr. G. V. Bewoor, I.C.S., in collaboration with Mr. T. P. Mukherjee, enquired into the time test for the Dead Letter Office, they were required to deal with unclaimed and undeliverable articles of the letter mail, both with and without address of the senders outside, and the time allowance allowed for the average of both these kinds of articles in the revised time test recommended by him and accepted by Government was 2.5 minutes per article. However, under orders issued by the Director-General articles containing senders' addresses outside have been taken out from the Dead Letter Offices and are being disposed of by Post Offices, and the Dead Letter Offices have to deal with articles which do not contain senders' addresses outside. I quote the following passage from the Bewoor Time Test to show that, his considered opinion, the kind of articles now dealt with in the Dead Letter Offices, those without senders' addresses outside are more difficult and take considerably more time in disposal:

"Then there are articles which have to be returned to the senders and have the address of the senders noted outside. These do not take very long. It is articles

[Mr. S. C. Mitra.]

which have to be opened in order to find the address of the sender, the articles which have to be redirected after consulting books of reference and vernacular articles which are badly written and addressed that take really long time".

Some of the articles of the latter description even take as much as 15 minutes according to Mr. Bewoor, and it is, therefore, as plain as daylight that the time allowance of 2.5 minutes allotted by him on the average of the simpler and more complex kind of articles is entirely inadequate for the more complex and difficult work that is now done by the Dead Letter Office staff. The All-India Postal and R. M. S. Union suggested that the time allowance should be increased to 3.5 minutes, while the Postmaster-General, Bengal and Assam Circle, wanted it to be increased to three minutes, but both these suggestions have been turned by the Direction with the result that heavy retrenchment of personnel in the Madras and Calcutta D. L. O.'s involving that of officials with even 25 or less years service has been ordered on the basis of this defective and inadequate time-test and in consequence of the segregation of the D. L. O.'s from the Postmaster-General's offices, of which they were until recently parts and parcel, and the Director-General's orders restricting the absorption of the retrenched staff in vacancies in other units, these unfortunate men cannot be provided in any place under the sun. The drastic and unjustified retrenchment is not only a source of extreme hardship to the D. L. O. staff, but this will also be detrimental to public interests as it will lower the efficiency of the D. L. O.'s in India which, as the following quotations from an expert article published in the *Statesman*, dated the 17th October, 1933, will show, are rendering most valuable service to the public with marvellous ingenuity and skill and honesty:

"A record for deciphering an almost meaningless address."

"In this way thousands of rupees are collected annually at the Dead Letter Office through the medium of which, however, most of the money is returned to the senders whose identity may be ascertained on opening the packets".

There is another point which I want to bring to the notice of the Government. Under the Director-General's orders all vacancies in the gazetted rank have been permanently filled up, but a ban has been imposed on the filling up of the non-gazetted appointments, including selection grades and ordinary clerical time-scales, with the result that the present incumbents in those posts, being only provisionally appointed, cannot avail of the privileges and concessions enjoyed by permanent officials even in case of dire necessity. There is absolutely no justification for this differential treatment, and, in the name of justice and fairplay, I strongly urge that the ban of non-gazetted appointments should be lifted at once and the present incumbents in such vacancies should be confirmed immediately. While the Department is showing an excess of zeal in carrying retrenchment in the subordinate ranks of the Post Office and R. M. S. they are not showing any inclination to curtail the extravagance in the Telegraph Engineering branch which is very much overstaffed with highly paid officers who have hardly been able to give a good account of themselves, as the huge waste of stock materials purchased by the Department involving loss of lakhs of the tax-payer's money clearly indicates. There has also been only a tinkering retrenchment in the higher appointments and very few of the higher posts carrying high salaries, whose number is legion in the Department, have been retrenched. What is

more objectionable, if not reprehensible, is that some of the higher appointments, previously retrenched, according to the recommendations of the Posts and Telegraphs Retrenchment Sub-Committee and under pressure from this House, are being revived, one after another, under different names. To cite an instance, one post of Deputy Director-General was abolished, as recommended by the Retrenchment Sub-Committee, but from last January it has been resurrected under the name of Deputy Director-General, Finance, on a salary of Rs. 1,750 a month. Well, there is already a Financial Adviser who draws a fat salary, and it is ludicrous to create another high post to assist him. His predecessor managed his work without the assistance of a Deputy Director-General, Finance, and he should also be able to do his work quite efficiently without any other highly paid assistant to lighten his work, if he does not mind exerting himself strenuously, specially in these hard days when every official is overworked. An additional post of Assistant Director-General has also been created in the Director-General's Office. One would wonder if the Government are desirous of compensating for the loss of efficiency caused by drastic retrenchment in the manipulative staff in the Post Office and R. M. S. by proportionately increasing the officers' staff. The cost incurred by the creation of these two posts would have saved exactly a hundred poor subordinates from retrenchment. I find another amusing and unintelligible feature in the Government's policy from the Budget figures for 1930-31 and 1933-34. While retrenchment is being effected with a vengeance in the Post Office and R. M. S., the staff in the Posts and Telegraphs Audit Offices, instead of any reduction, was increased by 81 as the following figures will show:

1930-31.		1933-34.	
No. of Officers	17	No. of Officers.	17
No. of subordinate officers	82	No. of subordinate officers	89
No. of clerks	2,061	No. of clerks	2,233

It will thus appear that the staff in the Audit Offices was considerably increased by 179 additional hands. I wonder, what explanation the Government have to offer for this increase in expenditure in the Posts and Telegraphs Audit which is met from the revenues of the Department. Do they expect, that, by strengthening the officers' and audit staff, they will be able to restore the financial equilibrium and arrest inefficiency caused by heavy retrenchment in the manipulative staff? The idea is ridiculous. If the retrenchment measures are putting additional strain on the audit, they are all the more adding to the burden of the Accounts Branches in the Post Office, but no attention is being paid to their grievances.

I would request the Honourable Member in charge of Industries and Labour and the Director-General to explain all the points I have raised and also to set matters right with broadminded sympathy.

Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, nothing can be more unjust than the manner in which, if accepted, retrenchment in the Telegraph Branch is or will

[Mr. Muhammad Azhar Ali.]

be carried out under the recommendations of the Telegraph Establishment Enquiry Committee, presided over by the Financial Adviser, Posts and Telegraphs. The recommendations are for the reduction of 757 telegraphists and 142 telegraph masters, which work out to a ratio of 45 per cent and 55 per cent to their respective cadres as a whole, whereas, only eight officers are recommended for retrenchment against an army of approximately 800, or one per cent of the entire strength. Imagine the justice and equity that must have been actuating the assessors on this Committee. Am I to understand that the mandate before the Committee was that they must restrict themselves entirely in their slaughter only of the subordinate element and hands off the officers? Abiding strictly by this mandate, they applied the guillotine only to that class of officer who is virtually the telegraph master, promoted to the grade of Deputy Superintendent, Superintendent, Deputy Postmaster General, Chief Superintendent and Assistant Deputy Director General, who are merely transformed into one or the other of these high-sounding designations, without anything substantial to recommend them for promotion, other than the *Ma-Bap* system—a sort of gift in reality vested with the Direction of the Posts and Telegraphs, which in the end is a source of misery to the tax-payer, who is penalised in the process foisted on him by paying for a body of well paid and well provided officers. I demand of the Government to state clearly how many officers are, or will be, retrenched from the gazetted ranks who entered service in that particular cadre when directly initiated into the service, as differentiated from this *Ma-Bap* creation referred to.

The reasons for retrenchment stressed by this learned Committee was falling off in traffic and that the number of telegrams had greatly depreciated nowadays; hence the reduction proportionately in personnel is recommended. Now, what is the plea not to retrench as many officers who are already in excess in the same proportions affecting the telegraphists and telegraph masters, where almost one half is considered surplus to the requirements on very considered figures and logic? What logic prevails with the officers to save their skin? Is this not fomenting class warfare? If not, what is it?

Coming to amalgamation, what do you mean by amalgamation when you have a Director and a Postmaster General in a Circle stationed at headquarters? How are they amalgamated with one another? Is it not really the fact that one minds the business on the telegraph side, while the other on the postal side? Is it not right and proper to say, one is P.M.G., Post Offices, and the other is P.M.G., Telegraph Offices of the Circle? That the one cannot do without the other, as their training and outlook are entirely divergent from one another, that their vocational attributes, if any, entirely differ? One is an engineer, the other is anything but that; and when you merge one with the other or both together, you have flesh and fish to combine, and the mixture becomes, naturally, obnoxious, and failures, therefore, occur in the Circle administration, as Post Masters General cannot exceed their own sphere of enlightenment. It surpasses my intelligence and imagination, and I am sure it will surpass the intelligence of this House even, to comprehend how a telegraph officer can take over Post Master Generalship of a Circle who, till then, was either planting posts or assembling telegraph apparatus. How can he ever prove a success? Was it ever so before the amalgamation? I say, no. Why

so? This is where you fail and fundamentally initiate the theme for your losses. You cannot tell me or prove to this House that your such officials are supermen. He is no more than any one else. He cannot presume to do more than he knows, and in some cases, where P. M. G.'s are recruited from postal clerks, what will be the result you can attain with such a prototype?

Coming now to retrenchment, I ask, what have you done in regard to the 33 items set out at pages 125 and 126 of the Retrenchment Advisory Sub-Committee's report on retrenchment, presided over by Sir Cowasji Jehangir in 1931, who, in unambiguous terms, condemns one of such items as needless luxury, whereas the others, he suggests, ought to be investigated and material retrenchment effected as they offered ample scope for economy in various directions? What have you done in this respect? Have you first effected every possible saving under these 33 items before you had resorted to empanelling the so-called Retrenchment Committee? If not, why not?

Now, Sir, the Committee, known as the Varma Committee, recommends the creation of a Deputy Director-General of Inspections on Rs. 30,000 annually. This august body, by this one suggestion, goes against the principle of retrenchment. I suggest a non-official and official Committee to go into the question of retrenchment on a fair and equitable basis and not merely delve in class warfare as suggested in that report, that no special indulgence should be allowed for officers—general or subordinate—and do away thereby with the surplus, whereas, under the Varma scheme, you will be left with all the generals, after the fashion of the Mexican Army! Retrenchment, if it is to be retrenchment, should be carried out from top to bottom on a *pari passu* basis. I suggest, therefore, that the report is no report at all, although it has cost the Exchequer Rs. 33,126-2-0 to give the Committee the pleasure of a joy-ride; the results are not commensurate even with the expenditure incurred.

Sir, I will now discuss the British Post Office as compared with the Indian Post Office. How is it that, although identical conditions throughout prevail in both countries for the last five years—depression in both countries I mean,—still the results have been so different and so divergent? One succeeds in amassing profits, whilst India fails, and, in one case, to the tune of 1.51 lakhs. The profits in England have veered round ten million pounds annually for the last five years, and the last Budget produced over eleven million pounds. Sir, there is only one answer. We are burdened with highly paid officers compared with the officials of the British Post Office, and the sooner we draw inspiration from there, the better for this country. The whole structure in India wants reformation and purging out of its evils, and the sooner this is done, the better for the tax-payer. Only then you will be able to improve matters out here. Sir, the so-called relief mentioned in the current Budget is not satisfactory. Neither the inducements in the postal nor telegraph side, as devised, are real relief to the masses, and they shall suffer, particularly on the postal side, with regard to understampage due to not being able to differentiate between the weight of $\frac{1}{2}$ and one tola and pay the usual penalty; the post office readily exacts for understampage. With these remarks; I support the motion.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur cum Orissa Muhammadan): Sir, in this connection I want to make a few observations.

[Mr. M. Maswood Ahmad.]

I find from the Report that in the year 1932 the number of departmental offices has been reduced, while the number of extra departmental post offices has been increased. This really causes a great trouble to the public. In the extra departmental post offices, the working hours are much less than those in the departmental postal offices, and invariably in these offices some school masters, station masters and such other people are employed, and naturally they do their duties in these extra departmental offices as additional duties after doing their own work elsewhere, and they get very little time to devote to these extra departmental offices. The result is that the public in the areas served by the extra departmental post offices suffer very considerably. Sometimes they require stamps and other things like money order forms, and so forth, and they cannot get their requirements easily, because the people in charge of these extra departmental offices are not whole-time servants like the post-masters in the departmental offices who work from, say, 10 to 4 every day except perhaps on Sundays and other specified holidays. Therefore, the public in the areas served by the extra departmental offices are put to very great inconvenience, and so I want to urge upon the Government that the number of extra departmental offices should not be multiplied needlessly in place of departmental offices. Only in areas where the receipts are getting smaller, there the number of departmental post offices can be reduced and in their place extra departmental offices substituted. I trust the Honourable Member in charge of the Department will give this matter his serious consideration.

With regard to the Dead Letter Office, the duties performed by this office are very important. They have to deal with letters on which addresses are not correctly written, they are required to open some of the letters and find out who the addressee is, who the sender is and what the contents are. We find that, in the year 1932, in the articles opened, cheques, currency notes, bills of exchange, coins and other valuable things were discovered aggregating to the nominal value of over 5-2/3 lakhs of rupees and, therefore, sufficient time should be given to the employees working in this branch, so that they may be able to discharge their duties more efficiently in the interest of the public, because, if they get more time, they will be able to read through the letters more carefully and see as to who is the sender, who is the addressee, and so on, and re-direct the letters to the proper person.

With regard to retrenchment, I want to point out to Government that people, who have been retrenched as a result of the economy campaign, should be provided for in the first instance, just as is done in the Railway and other Departments. These Departments have issued certain Circulars impressing upon heads of Departments the necessity of giving preference to retrenched men. Government should adopt that policy, and I trust my Honourable friend in charge of the Department will give his serious consideration to all the points I have made in this connection.

Mr N. M. Joshi (Nominated Non-official): Sir, I would like to say a few words on this subject. The first remark I wish to make is that I do not approve of the policy of retrenchment at all. I quite realise that we are passing through a period of depression, but I feel that we cannot get over this depression by retrenchment of the staff or by reducing certain number of the post offices. I find from the report during the year for which the latest report is presented, the number of rural post offices

has gone down by nearly 300. I feel that the policy, which the Government of India are following in reducing the number of post offices in rural areas, is a wrong policy. In the first place, the post office, I quite realise, is considered to be a business concern. It may be a business concern, but let the Government of India remember that if there is a loss in this business concern, everybody has to bear that loss. It is not only those people who live in cities that bear this loss, but this loss is made good by all people. I would, therefore, suggest that, on account of the losses which the Department makes, it is wrong to close down post offices in rural areas. On the other hand, I would advocate the policy of opening more and more post offices in rural areas

The Honourable Sir Frank Noyce (Member for Industries and Labour): And losing more and more money.

Mr. M. Maswood Ahmad: You are not losing money in rural post offices; you are losing money on the telegraph side.

Mr. N. M. Joshi: In the first place, it is not very easy to find out which offices lose more money; it is not very easy to go into the question of accounting. Moreover, even if some post offices show a loss today, we must consider which branch of the post office work is likely to be developed in the future. Let us all remember that India does not live in cities

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Labour lives in cities.

Mr. N. M. Joshi: I say that India lives in villages. I, therefore, feel that, if there is to be a development of the work of post offices, there is greater opportunity for development in villages than in cities. I would, therefore, like the Government of India to follow the policy of developing and creating more postal facilities for rural areas instead of curtailing them. This is necessary, not only in the interests of business, but in the interests of the whole community. After all, the Postal Department is run by the Government as a public utility concern, and, if that is so, it is the business of Government, even though there may be losses for some time, to give these facilities to the whole population, and not merely to those who have the privilege of living in cities. In this matter I want to tell the Government of India that they generally follow a wrong policy. Their policy is to give more facilities to those people who have got enough money. Let them examine their policy as regards the post office and the telegraph offices. The post office is open to all people, rich and poor alike. But it is not the poor man who sends telegrams. What is, therefore, the result? The Government of India have been going on making losses on the Telegraph Department. I do not know whether there was any time when the Telegraph Department made good profit.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): It never has, especially since the amalgamation with the Postal Department.

Mr. N. M. Joshi: On the whole, if the Government of India will take the accounts of our Postal Department from the beginning, they will find that they have made more losses on the telegraph side and they continue

[Mr. N. M. Joshi.]

to make those losses. Even taking the account given in this report, you are making greater losses on the Telegraph Department. On the other hand, they are spending much more money on capital expenditure of the Telegraph Department. Let us see the figures. The capital expenditure on Post Office buildings and mail vans during 1932-33 was Rs. 4,25,000, while that on telegraph buildings, cables, lines and apparatus for the same year was Rs. 15,06,000.

The Honourable Sir Frank Noyce: May I remind my Honourable friend that that includes telephone lines as well, and that the telephone branch of the Department is a paying branch?

Mr. N. M. Joshi: Telegraph buildings, cables, lines and apparatus,—I do not know whether this includes telephones.

The Honourable Sir Frank Noyce: If my Honourable friend had read the report carefully, he would, I think, have found that it did.

Mr. N. M. Joshi: I am talking of telegraphs, I am not talking of telephones. If you think that the telephone is paying, let us have more development of telephones.

The Honourable Sir Frank Noyce: That is exactly what we are doing.

Mr. N. M. Joshi: I am talking of telegraphs.

Sir Thomas Ryan: I may say that practically the whole of our capital expenditure nowadays is on telephones.

Mr. N. M. Joshi: But that does not alter the fact that you are making a larger loss on the Telegraph Department. You cannot avoid that fact whatever may be the case as regards the capital expenditure figures given here. And still what do you do? You follow a policy of reducing rates for telegrams,—I am not against a policy of reducing rates, because I feel it is not by increasing the rates that any branch of the Postal Department will ever pay, but the Government of India should follow the same policy as regards the post offices also. The policy of reducing rates is the right policy, the policy of increasing facilities is the right policy. You follow that policy so far as regards facilities which are generally utilised by wealthier classes, you do not follow that policy, you follow the wrong policy so far as regards facilities which are generally availed of by the poorer people. I think the Government of India are making a great mistake in this matter.

There is one more point on which I wish to say a word and that is this. The Government of India are reducing the staff, and my Honourable friend, Mr. Azhar Ali, gave some figures which are very instructive and which show very clearly that Government have made large retrenchment in the subordinate staff, while retrenchment in the officer staff is very small indeed. Now, in this respect, I would like to tell the House one thing, and it is this that these proposals for retrenchment are made by officers. The Director-General said that a certain kind of work which the lower clerks do is not so very responsible. My own view is that the

duty which even the smallest officer performs must be regarded as equally responsible. Everybody is responsible for his work. As a matter of fact, if we go to the theory, neither the Director-General nor even the Honourable Member is responsible to anybody. My own view is that it is the lower staff which is really more responsible, because, if there are losses, the lower staff suffers by retrenchments, while the higher staff does not suffer by retrenchment to that extent. Whether there is a loss of Rs. five lakhs or Rs. 50 lakhs, the Honourable Member's position is safe, the post of the Director-General is safe. The responsibility of losses is brought home to the inferior staff, to the subordinate staff, it is never brought home to the higher staff. I would, therefore, like the Government of India to consider this question of retrenchment of the subordinate staff very carefully, and my proposal is this. If there is to be retrenchment of the subordinate staff, as a sort of safeguard against wrong retrenchment, let there be at least a proportionate retrenchment of the officers. If the officers know that, by retrenching their subordinate staff there will be a proportionate retrenchment in their own cadres, then, Sir, the retrenchment of the subordinate staff will be made more carefully. But if the Government follow the policy of retrenching more men, not proportionate to the officers, then, Sir, there is no safeguard for the subordinate staff. The only automatic safeguard against wrong retrenchment for the subordinate staff is that there should be retrenchment in the higher grades also, proportionately at least. Personally I would retrench higher officers much more, because, after all, the higher officers' work is easy work. They do not have to work as the subordinate staff has to. There is still more room for increasing the work of the officers. It is the subordinate staff whose work you cannot increase. They have got their fixed hours, and there are men over them to see whether they work or not, but over the heads of officers there is nobody to see how long they work. They may work or they may go home early. Therefore, there is room for increasing the work of your officers; there is hardly any room for increasing the work of your subordinate staff. Therefore, if you want to save money, in order to make economy, you should reduce the number of your officers much more than the number of your subordinate staff. On the other hand, Government follow a wrong policy of retrenching the subordinate staff in a much larger proportion than the officers. Thereby not only Government do not make a saving where they ought to save, but they remove the only safeguard which the subordinate staff have. I would, therefore, suggest to the Government of India that, whatever policy they may follow, whether they follow the policy which I suggest, namely, that in this time of depression they should develop the work of the Department instead of reducing it,—but even if they follow the wrong policy of reducing the number of people, I would suggest to Government not to take away from the subordinate staff the only safeguard against a wrong kind of retrenchment that they have, namely, that there should be a proportionate, if not greater, reduction in the number of officers. I hope the Government of India will adopt my suggestion in this matter.

Sir Gowsaji Jehangir (Bombay City: Non-Muhammadian Urban): Unfortunately I was unable to hear the remarks made by my Honourable friend, Mr. Mitra, in moving this cut, and, therefore, I do not propose to say anything about any of the remarks he might have made. What made

[Sir Cowasji Jehangir.]

me rise is the speech which was delivered by my Honourable friend, the representative of Labour, in this House. We have been told constantly, and reminded very often in the past that the Department that we are at present criticising is a commercial department. If that is so and if it is intended that this Department should be run on the lines of a commercial department, perhaps it would be necessary to get a definition of the meaning of the words "commercial department". I understand a commercial department to mean one which pays its way or attempts to pay its way. If this is to be a public utility department and if this House is prepared to make up the deficit year in and year out that may be suffered by this Department in giving facilities and amenities to all classes of people regardless of the cost, then we should know exactly what the policy of the Government is and what it is that we desire should be the policy. Now, so far as I have been able to understand the position for the last number of years, this House has definitely expressed the opinion that this Department should be a commercial department.

Mr. N. M. Joshi: When did it do so? It is a public utility department.

Sir Cowasji Jehangir: When did it do so, asks the representative of Labour. I am not here to put my Honourable friend right, but 12 Noon. I do remember a Retrenchment Committee having been appointed. I do remember criticisms in this House of extravagance in this Department. I do remember speeches made from this side of the House, pointing out that this Department should pay its way. A Retrenchment Committee was appointed, and, so far as I can now recollect, that Committee did recommend that a certain number of post offices should be abolished. I am prepared to be contradicted if I am wrong. The abolition of these post offices was recommended, because the Committee saw no prospects whatever of such post offices ever being able to pay their way. They never suggested that post offices should not be opened in other parts of India which showed any prospect of success. Sir, if it is the intention of this House to give further facilities to the rural areas with regard to the posts and telegraphs, then let us lay it down as a policy. Let the Finance Member make provision year in and year out to pay for those facilities. Let us be prepared to be taxed for that purpose. It is question of policy.

Mr. N. M. Joshi: No harm.

Sir Cowasji Jehangir: Coming to the subordinate staff, personally I came to the conclusion, and I think that was recorded in the report, and again I speak subject to correction, that there was scope for economy. You do not want any Department of Government to be a charitable institution, whether it is a commercial department or whether it is not. It is a wrong principle. You cannot have a Department made for the purpose of employing people.

Mr. N. M. Joshi: Who asked you to do it?

Lieut.-Colonel Sir Henry Gidney: It should be for the service of the people. That is the case in England. It is not, and never has been a commercial or revenue undertaking.

Sir Cowasji Jehangir: By all means. If this House finds that there is any Department of Government which employs more men at the top or at the bottom, more than they require, it is the duty of this House to insist that there shall be economy. My complaint is that on this question we speak with two voices. We ask for economy. We ask for retrenchment. We do our duty by impressing upon Government that extravagance at a time like this is a crime. We do our best to force Government to cut down expenditure.

Mr. N. M. Joshi: Who are the "We"?

Sir Cowasji Jehangir: This side of the House, the Assembly.

Mr. N. M. Joshi: Not all.

Sir Cowasji Jehangir: My Honourable friend is the advocate of extravagance today, a Labour Member can afford to be extravagant. We cannot. We have to pay and you don't.

Mr. N. M. Joshi: I challenge you. You don't.

Sir Cowasji Jehangir: You are merely to ask. We are here to pay and we are not going to pay. That is the long and short of it.

Now, Mr. President, I believe that a certain amount of retrenchment has been effected in the Department. Whether the Retrenchment Committee was of any assistance to Government or not, I do not know.

The Honourable Sir Frank Noyce: I can assure the Honourable Member that his Committee gave the most valuable assistance to Government, I think I have acknowledged that assistance on the floor of this House more than once; but if not, I have the greatest pleasure in doing so now.

Sir Cowasji Jehangir: I never meant to imply that the Government were not grateful for whatever little work we put in. I do not know for certain whether the recommendations were on the right lines or not. I am not here to make out a case. All I say is that we were appointed by Government and this House to go into the question of the Posts and Telegraphs Department with the object of effecting economy

Lieut.-Colonel Sir Henry Gidney: Not by this House.

Sir Cowasji Jehangir: . . . and if we came to the conclusion that the Department was extravagant in any direction and if Government carried out retrenchment, I do not think it lies in the mouth of any of us to grumble and complain. My friend, Mr. Joshi, enunciated an extraordinary principle. He said that if you curtail your staff in one direction, you must curtail it also in other directions.

Mr. N. M. Joshi: Supervisory direction.

Sir Cowasji Jehangir: Now, so far as I remember, the Retrenchment Committee paid just as much attention to the top as it did to the bottom. Speaking from memory, we did recommend retrenchment at the top and I am not in a position to state just now offhand to what extent our recommendations have been carried out at the top.

Sir Thomas Ryan: I think we have carried out practically all the recommendations of the Retrenchment Committee.

Sir Cowasji Jehangir: I am given to understand by my friend, Mr. Mitra, that a post that was recommended to be retrenched at the top was retrenched and then reinstated.

Sir Thomas Ryan: I shall deal with that in due course.

Sir Cowasji Jehangir: I am talking of general principles. My friend, Mr. Amar Nath Dutt, was a member and we made every attempt to retrench at the top, but we came to the conclusion that there was more scope to retrench at the bottom than there was at the top. I am not here merely to say what will please Mr. Joshi. I am here to try and place before this House a statement of facts. Again, speaking from memory, I believe that the pay bill of the Posts and Telegraphs Department is in the neighbourhood of eight or nine crores. I think Sir Thomas Ryan will be able to enlighten us

Sir Thomas Ryan: About that.

Sir Cowasji Jehangir: and the pay bill of the higher staff out of this eight crores odd is something like 35 lakhs. Am I correct?

Sir Thomas Ryan: About 48 lakhs for the whole gazetted staff.

Sir Cowasji Jehangir: Now, Sir, you have eight crores 50 lakhs on one side, out of which 48 lakhs, or, say, 50 lakhs go to the higher staff. Retrench the salaries of the higher staff by, say, a hypothetical figure, of 20 per cent and the lower staff by 10 per cent. What do you get?

Mr. N. M. Joshi: Is that an argument why the higher people should not suffer?

Sir Cowasji Jehangir: I say, let them suffer double the amount, but even then, at the end, if you look at the figure of retrenchment, what have we got, what do we save?

Mr. N. M. Joshi: Is that a reason why they should not suffer—I again ask?

Sir Cowasji Jehangir: Does anybody ever contend that they should not suffer at the top? Do I contend that they should not suffer at the top? I contend that we should retrench at the top, we should retrench at the bottom, in every possible way, but I do want to point out to my Honourable friend that the pay bill of the lower staff is Rs. 8½ crores compared to Rs. 50 lakhs in the case of the higher staff, and, therefore, when you do retrench from the higher staff, you get a much smaller amount than you would if you retrenched from the lower staff. And, remember, the atmosphere in those days was such that this Assembly demanded retrenchment and demanded that they should know the figure by which we could cut down the expenses and save the general revenues. Has the atmosphere changed? And if it has, I can see no reason for the change. Today, I should have hoped that other Members would have got up on this side of

the House and demanded further retrenchment. Mr. President, I do not think anybody can accuse me of not having sympathy for the lower staff of Government servants.

An Honourable Member: Only lip sympathy.

Sir Cowasji Jehangir: Surely, their lot is hard, we all know it, but their lot is not so hard, perhaps, as the lot of the lower paid staff all over the country. I do think that all Government servants, in all Departments, have to thank their stars that in these days of depression, they are Government servants, and when their services are retrenched, they are retrenched after mature consideration. Remember the lower staffs outside Government service all over India, how ruthlessly they have been retrenched. They are in a pitiable condition today even in the City of Bombay, and compare their lot with the lot of Government servants, of all classes and of all grades. They have an Assembly to appeal to, they have friends like my friend, Mr. Mitra, and others to voice their grievances before a body like this Assembly, but those poor wretches who have lost their jobs all over the country and who are starving with their families, literally starving, they have no Mitras and Joshis to voice their grievances and to tell the country what a pitiable condition they are in. And because we in this Assembly urge Government to reduce the salaries of some of their Government servants and to retrench men that are not absolutely necessary for their work, we get Mr. Joshi coming here and telling us not to do so! Mr. President, I do earnestly trust that this House will insist upon retrenchment and that this House will not in any way encourage extravagance in any Department of Government, and especially in a Department that this House desires to be run on commercial lines. If there is any post office in India which is not paying its way, which is never likely to pay its way, I suggest it should be closed down immediately (*Voices: "No, no."*)—I said if it is never likely to pay its way. My friend, the Director-General of Posts and Telegraphs, will bear me out when I say that we never suggested that a post office should be closed down which was likely to pay its way within the next ten years.

An Honourable Member: How do you know that?

Sir Cowasji Jehangir: Well, we examined the case.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): When the Honourable Member said that the Government should close down a post office which is never likely to pay its way, the Honourable Member must remember that in the Himalayan hills, and in my constituency of Kumaon, there are a number of post offices which cannot pay their way, but people do live there, and letters from their relatives and others have got to be delivered. I hope the Honourable Member will not make such a wholesale remark as he has made.

Sir Cowasji Jehangir: I said that where there are post offices which are never likely to pay their way, which are always likely to be a great burden on the State and on the tax-payer, such offices should be closed down. Now, I will qualify that statement by making exceptions under peculiar and special circumstances, as in the case of hill tracts and other places. But, as a general principle, if you want this Department to be a

[Sir Cowasji Jehangir.]

commercial department, if that is the policy of this House, then I maintain that there can be no other principle that we should insist upon than that such amenities, as are offered by the Department, which are never likely to pay, must go, or else this House must change its policy once and for all and tell the Government that this Department is not a commercial department, that it is a Department that should be run in order to give facilities and amenities to all classes of people all over the country, at whatever loss the Department may have to suffer. If that is the policy, let it be so declared and let us then scrap the Retrenchment Committee's Report, let us scrap all efforts in the direction of retrenchment.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): But if the Telegraph Department does not pay its way?

Sir Cowasji Jehangir: I will come to that point.

Now, if that is the principle, let us know what it is, and then we shall know how to criticise Government and what to expect from Government.

Now, the other accusation that has been made is that the Telegraph Department suffers a great loss while the Postal Department does not, and, the accounts being mixed up, we do not know what the actual losses on the telegraph side are and what—shall I say taking an extreme case—the profit is to the Postal Department. I am not in a position to criticise or to absolutely contradict that statement; I have not the facts, I have not the figures. I believe another Committee was appointed after the one I was a member of, which went into the question of the Telegraph Department. Am I correct?

Sir Thomas Ryan: Perfectly.

Sir Cowasji Jehangir: There is not the slightest reason why the Telegraph Department should be the pet child of Government. There is not the slightest reason why any Department should be encouraged, because it employs a certain class of labour. That has nothing to do with us. I would treat both the branches of this great Department perfectly equally. If the Telegraph Department cannot pay its way, I would be just as ruthless with the pruning knife as in any other Department. I do expect that Government will apply the pruning knife to the Telegraph Department more ruthlessly than to the Postal Department, because the Telegraph Department after all caters for a better class of people and the Postal Department caters for the poorest. I would also enunciate another principle, and that is that, if there is any money to spare, it should be utilised for expanding the facilities of the Postal Department and not of the Telegraph Department. I have no objection to any capital expenditure on the Telegraph Department if it is going to bring in a handsome return. If the telephones can pay their way and if an expenditure on the telephones is going to be a paying proposition, why not allow that expenditure and give facilities to those who use telephones although they may be only the better classes in this country. There is no reason to deny them those facilities, because they pay for them with even chances of a profit.

These are general principles which, I think, this House ought to endorse. I would again appeal to my Honourable friends to remain the watch-dogs of the public purse and to continue to be the watch-dogs of the public

purse for years to come. If they fail to be the watch-dogs of the public purse, then we may not have any self-Government at all in this country. Our main duty here, sitting on this side of the House, is not to encourage—I will not say extravagance, because that is a truism—in these critical times even any expansion of Government activities. Our business just now in these difficult times is to tell Government to retrench. That alone must be our motto. I trust that the time may come when we may be able to change that motto, but that time has not come yet. When it is going to come, nobody can tell. But so long as the present depression remains, our motto should be "Retrench" and nothing else.

Mr. N. M. Joshi: I rise, Sir, on a point of personal explanation. I have made the statement that Government are spending on capital expenditure and telegraph buildings, lines and apparatus 15 lakhs of rupees. I had taken that figure from the report of the Department for the year 1932-33. The Honourable the Director-General of Posts and Telegraphs said that they included the telephone figures. If he will look at the report, he will find that the amount of eight lakhs of rupees spent on telephone buildings, lines and apparatus is mentioned separately.

Sir Thomas Ryan: What I meant to convey to the House was that the capital expenditure which we are now incurring is practically entirely on telephone improvements. I was not questioning the Honourable Member's figures as to what might have been spent under particular heads in the past. What I wished to say was that, as he was complaining about our heavy expenditure, my reply is that the capital expenditure is incurred, as the members of the Standing Finance Committee will know, because this question came up before them recently, for the purpose of making telephone improvements and possibly on one or two buildings. The expenditure proposed is expected to earn considerably more than the interest on the capital.

Lieut.-Colonel Sir Henry Gidney: Sir, I rise to take part in this debate as a strong opponent of this policy of retrenchment when, in the execution of that policy, efficiency is to be sacrificed on the altar of economy. Sir, the administration of Government, both Central and Provincial, in this country is suffering from an epidemic of retrenchment, and I wish I could discern more sympathy and more concern in the minds of the higher Government officials as to what this drastic retrenchment means to the homes and the happiness of their subordinate servants. If I could discern that, I should be more satisfied and happier in my own mind in the belief that "necessity has no law". But, today we have witnessed in this Honourable House a struggle of opinions between my friend, Sir Cowasji Jehangir, representing the capitalists of Bombay, and that stout champion of labour interests,—Mr. Joshi. It would be very interesting and illuminating if the Finance Member would tell us how much Government receive from taxes of all kinds paid by the industrial and labouring classes as compared with the total taxes paid by capitalists. I do not think that the capitalists would then have much to shout about. The Post and Telegraph retrenchment policy of Government has been so stoutly defended by my friend, Sir Cowasji Jehangir, for whom I have a great regard, but with whom I certainly do not agree. I know he was the Chairman of the Retrenchment Committee that sat on Posts and Telegraphs. I have read the report of his Committee very carefully, but I am sorry I cannot join

[Lt.-Col. Sir Henry Gidney.]

the Government of India in congratulating the Committee on a report that has meant so much misery and unhappiness to so many of their servants and in which my community suffered much. Sir Cowasji Jehangir, however, struck a true note when he said that the whole matter depended on the policy of Government. He asked whether the Telegraph Department was an utility department or a commercial department. Sir, the Government Benches know very well—I speak subject to correction and I will sit down and await a correction—that the Telegraph Department of the United Kingdom has never paid its way and every year the House of Commons is called upon to foot the bill by special enactment. With all respect, I ask the Honourable Member in charge why

Sir Thomas Ryan: I believe it is because the Telegraph Department has largely been robbed by the telephones.

Lieut.-Colonel Sir Henry Gidney: I do not want you to answer my question just now: I want to develop my point. I want to know why do the Government in this country ask the Postal Department to pay the debts of the Telegraph Department and why has it, in addition, for the same purpose lately indented on the little profit made by the Telephone Department?

Sir Thomas Ryan: The accounts are quite distinct.

Lieut.-Colonel Sir Henry Gidney: But you do not allow it to make itself distinct today. When these two departments were separate, i.e., before they were amalgamated some years ago, about 1914, I am sure their profit and loss was a different one than today. But whether it is different or not, the point to be decided by this House and Government is what is their policy as was pointed out by Sir Cowasji Jehangir.

Sir Thomas Ryan: May I draw the attention of the Honourable Member to page 4 of the Detailed Estimates and Demands for Grants which shows perfectly clearly the distinction between the accounts of the Post Offices, the Telegraphs, the Radios and the Telephones?

Lieut.-Colonel Sir Henry Gidney: I shall look at them again. My point is this. Will Government, on the floor of this House, deny that the excess expenditure over returns incurred in the administration of the Telegraph Department is met from the profits of the administration of the Postal Department?

Sir Thomas Ryan: I am not prepared to deny that it is not met. I am prepared to deny that it is so met. (Laughter.)

Lieut.-Colonel Sir Henry Gidney: I thought so. I knew it. It is robbing Peter to pay Paul.

Sir Thomas Ryan: That is exactly what we are not doing.

Lieut.-Colonel Sir Henry Gidney: Then what exactly are you doing? Why not abolish the Telegraph Department if it does not pay you?

The Honourable Sir Frank Noyce: That is an extremely helpful suggestion.

Lieut.-Colonel Sir Henry Gidney: I am always delighted to supply my Honourable friend with helpful suggestions and I am glad to know he will consider my suggestion. But apart from the humorous aspect, will Government deny that the chief aim and object of these retrenchment Committees is to reduce the staff, and so why reduce the staff in the Postal Department to be able to maintain the Telegraph Department and *vice versa*?

Sir Thomas Ryan: That is not done.

Lieut.-Colonel Sir Henry Gidney: You wanted your Postal Department at a time when India was not so progressive as it is today. Now people are clamouring for having more communications; aeroplanes, aërials, radios and other things have come to stay in this country, and, in the teeth of this advanced India, a country crying for more, you want to reduce your postal and telegraph services, to reduce the number of post and telegraph offices and reduce the staff of your subordinates. Why do you not cut the pay of your senior officers, and stop your Lee Commission concessions? (Hear, hear.) You will not do that. Did my Honourable friend, Sir Cowasji Jehangir, recommend this measure of economy as President of his Committee? No, he did not, and why?

Sir Cowasji Jehangir: We were not allowed to do so. They were not within the scope of our enquiry.

Lieut.-Colonel Sir Henry Gidney: When Sir Cowasji talked about retrenchment in the superior staff, why did he not mention this point in his speech? He was silent about it. Why? The question really does depend on this aspect of it. I submit if the policy of the Government of India is that the Telegraph Department should remain as a utility department and not as a revenue or a commercial undertaking, then this House must pay its debt. You must not rob the credit of the Postal Department, which Department mainly serves the needs and the purposes of the poorer Indian.

The Honourable Sir Frank Noyce: I am sorry to interrupt the Honourable Member, but I entirely fail to follow his argument. What does he mean by saying that we are robbing the Postal Department? He will see from the accounts, which have been placed before him, that the Postal Department is not yet paying its way, and how, therefore, can we rob one insolvent to pay the debts of another insolvent?

Lieut.-Colonel Sir Henry Gidney: Was it not paying its way before the Lee Commission concessions came in? Anyhow, my Honourable friend, Sir Cowasji Jehangir's statement that the total cost of the salaries of these Departments was about eight crores was supported by the Director-General, Posts and Telegraphs, and that the superior staff

Sir Thomas Ryan: No, Sir. My Honourable friend, Sir Cowasji Jehangir, was, I think, mentioning the salary bill.

Lieut.-Colonel Sir Henry Gidney: I meant that. Sir Thomas Ryan said that the total salary cost of the superior officials was 50 lakhs.

Sir Cowasji Jehangir: No, 48 lakhs.

Lieut.-Colonel Sir Henry Gidney: That works out roughly to one-sixteenth of the whole salary bill of the Department. Now, Sir, I should like to know from Sir Cowasji Jehangir, a very successful capitalist Knight of Bombay, whether he could run his own business successfully with overhead charges (i.e., salaries of superior staff) one-sixteenth of the total salary bill. This refers to 50 lakhs out of eight crores of rupees.

Sir Cowasji Jehangir: I am not here to teach my Honourable friend things. I really hoped he was not so ignorant.

Lieut.-Colonel Sir Henry Gidney: I am very sorry to hear that, but ignorance is often reflected from one to the other. (Laughter.) I suppose that when my Honourable friend gets on his feet, there will be a reflex action on his anatomical organs, because the air will go up and his brain will come down. (Laughter.) Sir, we have had many Retrenchment Committees, but none of these were appointed by this House. Members of these Committees were nominated by Government. There is another report of the Varma Committee which is now before the Government. If that report is accepted by the Government, I know what it will mean to the community which I have the honour to represent in this House. It will mean almost complete extinction of the Anglo-Indian community from the telegraph service. I know the Honourable Member in charge is carefully considering that report, but I do wish to state on the floor of the House that that report however necessary it may be in the minds of the Committee, in my humble opinion, it certainly is not necessary for the efficient administration of the Telegraph Department.

Now, Sir, we have heard a good deal about telephones. I remember three years ago when I met the then Director-General of Posts and Telegraphs with a desire to extend the telephone system (because one trial that was made in a certain division under a certain officer, who is now dead, was a success), I asked the then Director-General whether he was going to extend the telephone system. He replied, he saw no need for it. I am glad to know that the telephone system has been recently extended, and this is a sign of the awakening of the Department and a desire to keep pace with an advancing India and the modern progress of other countries so far as India's relationship with them is concerned.

Sir, I support this cut motion. I support it, because I think it is right that this House should be told who is going to foot the telegraph bill. If the Postal Department is not paying, is the public to suffer in consequence? The Government of India are so enamoured of retrenchments and reductions of their subordinate staff and so oblivious of the urgent need of reduction in their superior staff that all their retrenchment policies are ill conceived and wholly wrong. My Honourable friend, Sir Cowasji Jehangir, used a very mild word when he said this retrenchment "ruthless". I should like to call it by a worse name, but I hesitate to do so. I wholeheartedly support the motion that has been moved by my Honourable friend.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Sir, I am not one of those who at this stage is going to discuss the policy whether the Telegraph Department is run on a commercial basis or as a public utility concern. As for me, if anybody asks, I will say that it is run as a public

utility concern. I want to make one observation on this point. When my Honourable friend, Colonel Gidney, was making his eloquent speech on this subject, he declared that efficiency is sacrificed at the cost of economy. I welcome this suggestion, because efficiency plays a very important part in the services, and I am one of those who will stand up side by side with my Honourable friend, Colonel Gidney, when the question of efficiency comes up. (Hear, hear.) Let me take one little point in this connection about the Telegraph Engineering Department, and I hope my Honourable friend, Colonel Gidney, will give his conscientious support to my views. A sum of Rs. three lakhs 30 thousand has been provided for in the Budget under the head "Unserviceable stock materials written off". When there is a big staff of officers in the Telegraph Engineering Branch, I fail to understand why such losses should be incurred by the Department year after year. That is a question of efficiency. There must be something rotten in the supervision carried on by this big and highly paid staff for which the Department has to suffer such heavy loss. Although the Department carried out retrenchment measures in the Posts and Telegraphs Traffic Department, no retrenchment has been made in the Engineering Branch of the Department.

Sir Thomas Ryan: That statement is entirely incorrect. I will allow it to pass now, but I will deal with it subsequently.

Mr. D. K. Lahiri Chaudhury: I am always open to correction. Up to the year 1913-14, both the Telegraph Traffic and Telegraph Engineering Branches were managed by the Engineering Officers, but after the amalgamation of the Telegraph Department with the Post Office in the year 1914-15, the Engineering Officers were not required to hold charge of the Traffic Branch, and as many as 28 officers' posts were created. But there was not any proportionate reduction in the number of Engineering Officers' appointments. In 1913-14, there were as many as 75 Engineering Supervisors both in the General and Electrical Branches, but now the number of Supervisors in both these branches has swelled up to 217. I am, of course, open to correction. This is not all. Three sets of officers are maintained for the Engineering Branch, namely, Telegraph, Wireless and Telephone, and we find them huddled together and working in the same station. My friend, Mr. Mitra, suggested time after time that these three departments should be amalgamated so as to reduce the number of officers. The Telegraph Establishment Inquiry Committee have also suggested amalgamation of the different engineering branches, but nothing has been done in this direction although Government are very prompt in effecting retrenchment on the postal side.

Sir, this is the one little thing to which I wanted to draw the attention of the Honourable Member in charge. Sir Henry Gidney spoke of efficiency and I also stand by him; for the sake of efficiency, there should not in future be so much losses in stock materials.

Sir, I support the motion.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I rise to support this motion. Although I see that certain persons feel a sort of contempt for my friend, Mr. Joshi, because he introduces ideas about labour and the labour movement in this House, still

[Mr. B. V. Jadhav.]

I almost agree with him. The Postal Department is a very useful department, and it has been worked up to this time with efficiency. The Telegraph Department also is a utility department and it is also worked with efficiency. But the expenditure in the Telegraph Department is much higher than its income, and the loss on the Postal Department is not so very heavy. But, at the same time, the Member in charge is very anxious to increase the income of the Postal Department by various changes in the rates.

It is not very long when the postcard was sold at a pice; its price was then raised to two pice, and now it has been raised to three pice. The postage rates also have gone up from half an anna to one anna and a quarter; and the book-packet rates, which were half an anna for ten tolas, are now half an anna for five tolas, and that rate is proposed to be enhanced by about 50 per cent. next year. The Postal Department does not suffer so heavy losses as the other Departments, and while I approve of the decrease in the minimum rate for a telegram from 13 annas to 9 annas, because it would ultimately lead to an increased revenue from telegraphs, I am sorry to see that Government are not very responsive to the complaints of the public who are suffering from the enhanced rates in the postage rates, and these enhanced rates are not giving the expected additional revenue, but the law of diminishing returns is very heavily at work.

I shall take the value payable system, for instance. Formerly, a value-payable article did not require the article to be registered. The article was delivered on the payment of the ordinary book parcel rates and the money order commission. In order to enhance their revenue, the Postal Department added the registration charges, and in order to tighten the hold upon the people and in order to extract more revenue, they refused to keep the value-payable article in the post office for a week or ten days as was their custom, within which the person to whom it was sent was allowed to take the article, but the period was reduced to a very few days, and if the article was not taken during that time, demurrage was charged. What was the result? The result was a heavy downfall in the revenue from value-payable post. The people have now found another way of sending their articles under the cash on delivery system. They send the article, through a co-operative society. The money order charges which were recovered by the post offices are now recovered by the co-operative and other banks and the Postal Department is a sufferer to that extent. If my Honourable friend, the Member for Industries, will make inquiries as to what was the income from this source about five years ago and what the income is at the present time, he will see that the penny-wise policy has cost in pounds and pounds to his Department.

Then, again, Sir, the book-post is going to be very heavily taxed for the simple reason that the persons who formerly used to write cards are now sending their matter in a cover marked book-post. The wise remedy would have been to reduce the cost of the postcard. Instead of taking this wise course, Government now propose that the book-post rates should be raised. I am afraid, Sir, this will not give the additional revenue to the post office, but it will in the end result in reducing revenue. The bookseller cannot afford to send his books at the enhanced rates through the post office.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The House is now discussing the retrenchment policy of the Posts and Telegraphs Department.

Mr. B. V. Jadhav: I am coming to that, because I want to show why the retrenchment policy has become necessary.

Mr. President (The Honourable Sir Shanmukham Chetty): The arguments of the Honourable Member appear to be too far-fetched.

Mr. B. V. Jadhav: Well, Sir, the policy is one of retrenchment, and I will say a few words about it. We know that formerly the articles from one post office to another were taken by runners from one big place to another, from the railway station into the interior. Now, on account of taxi facilities, the carrying of post bags is now in most places transferred to the taxis. But I am under the impression that, when the old runners' services were dispensed with, the services of the overseers, who supervised their work, have not been retrenched to that extent, and they are still receiving salaries for very diminished work; and that is a wastage which might be stopped. There are some other services in the same way. The nature of the services has changed altogether bringing about another set of circumstances, but the old establishment is still there and doing perhaps menial work of the Inspectors and the Superintendents of Post Offices. That is a matter which perhaps the Postal Department may pay more attention to.

The Telegraph Department has always been a drain upon the revenues of the State, and as it is a public utility department, nobody will grudge a small loss. But when the loss becomes heavier and heavier, then the question of retrenchment and very heavy retrenchment comes in. I think there is a good deal of scope for retrenchment in the Telegraph Department, by amalgamating the engineering service and by reducing salaries at the top. The rate of overhead charges at 6½ per cent., as was stated here by my friend, Colonel Gidney, is not, I think, a very heavy one. . . .

An Honourable Member: 10 per cent.

Mr. B. V. Jadhav: No. 1/16th, which is 6½ per cent. . . .

Sir Cowasji Jehangir: In no other Department can it be 1/16th.

Mr. B. V. Jadhav: I think it is a very low overhead charge, and I would not grudge it. I hope the other Departments will show such good results as the Postal Department has done. I do not mean to say that the overhead charges in the Postal Department should be reduced, but I want to bring to the notice of that Department that there are certain unnecessary services which are maintained, because they were required in the olden times. Circumstances have changed a great deal, and, therefore, everything ought to be taken into consideration, and care should be taken to stop the waste wherever it exists. Sir, I support the motion.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadian Run): Sir, I did not know, before my friend, Sir Cowasji Jehangir, spoke, that this side of the House had laid down a policy that the Posts and Telegraphs Department should be conducted on commercial lines. On the

[Mr. Amar Nath Dutt.]

other hand, my memory goes back to a time more than ten years ago, when Sir Atul (then Mr. A. C.) Chatterjee, who was the Member in charge of the Industries and Labour Department, laid down as the policy on the Government side, not on the side of the Opposition, that the Postal Department was both a commercial and a public utility department; and I think the Government still maintain that view. I shall be really glad if the proposition of my Honourable friend, Sir Cowasji Jehangir, were accepted by the Government and the Postal Department was run on a commercial basis. But so long as Government do not do that, I think we are entitled to ask that this Department's utility should not be sacrificed merely for commercial purposes.

If that be so, the one question that comes paramount in my mind is whether or not efficiency can be sacrificed for the sake of economy. That is a question which I think can be more properly answered by the members of the Department; but I may be permitted to observe that I cannot agree with my former Chief, who was once the President of a particular Committee, of which I happened to be a humble member, that post offices should be abolished which do not pay. In fact if he turns over the report which we signed under his guidance, he will find a recommendation to the effect that a class of post offices may be abolished, but not two classes which are either of strategic importance or the loss on which is not more than Rs. 120 a year. Any one who has any experience of village life in India knows that there are post offices which are run at a cost of less than Rs. 200 a year. They may be extra-departmental post offices; but these post offices render a far greater service to the dumb millions of this country than the post offices which are at Bombay or Calcutta or Madras or in the City of Imperial Delhi, because, in those far off villages, from which you drain the labourers whose champion my friend, Mr. Joshi, is, and whose services capitalists like my friend, Sir Cowasji Jehangir, has to utilise to get better amenities of life, that these poor men who serve them in those industrial areas can send their letters to their village homes only through these small post offices in far off villages which may or may not pay. Of late I have noticed that some of the branch offices have been reduced to the status of extra-departmental ones. If the efficiency of the service which the far off people need is not in any way diminished by this measure, I have no objection to it; but if, merely for the sake of economising, this kind of retrenchment is availed of, certainly I cannot approve of the policy of the Government. It may be said that post offices in such big Cities as Delhi, Cawnpore or elsewhere pay for themselves. Then, why not abolish post offices elsewhere? I know of areas, of about 100 square miles, where there are at present probably at least ten post offices; and I do not think all the ten post offices in that area can really pay; but that is a source of revenue in this way that people from those places living in industrial towns have correspondence with those centres and the income of these industrial centres like Cawnpore and Delhi will be diminished if post offices were not there. You can reduce those post offices from ten to five, and distribute letters fifteen days in the month; that will not be efficient service. So, I beg to submit that the question of efficiency and the question of real service and real utility to the people should be kept in mind before adopting any scheme of retrenchment. It has been said that the Telegraph Department swallows the profit of the Postal Department. But as has been pointed out by Sir

Thomas Ryan, even the post office is not paying at the present moment; and if we go a little deeper into the thing, why is it not paying at the present moment? You will find the reason in the raising of the postal charges. Twenty years back, when postal rates were not raised, and probably it was necessary to raise them at that time because of the high prices owing to the war, but when the cost of living and everything has gone down now, I think it was necessary that the postal charges should have been reduced and there would have been more money in the coffers of the Postal and Telegraph Department if they reduced the postal charges than what they propose to maintain at the present moment.

Mr. B. Das (Orissa Division: Non-Muhammadan): You did not recommend that in the Retrenchment Committee before.

Mr. Amar Nath Dutt: I think my friend knows the limitations under which we had to work in that Committee.

Sir, it is said that the Telegraph Department should be abolished. If the Telegraph Department is to be abolished on the ground ^{1 P.M.} that it does not pay, then, I think, there are many other Departments and many other concerns of Government which do not pay and which can be abolished. Our luxuries do not pay us, the type of education which we give to our children at the present day does not pay us,—we spend Rs. 300 a month over a son who does not earn even Rs. 40 a month in these days. Therefore, I submit, it is not a question whether the Telegraph Department pays or not, but it is a question whether the Telegraph Department, as a public utility concern, gives people the amenities of life which are necessary. That is the thing to be considered. I do not know who suggested the abolition of the Telegraph Department,—I think it was suggested by my friend, Sir Cowasji Jehangir,—but if that Department were abolished, I think my friend's business would have suffered, and with Lady Jehangir in Bombay and my friend here, to get any news from her, it would have taken three days which certainly would not have pleased him very much. . . .

An Honourable Member: In that case he would use the telephone and not the Telegraph Department.

Mr. Amar Nath Dutt: This policy of retrenchment is one which I cannot approve of. Firstly, Sir, in these days it is very necessary in the interest of law and order that every one of our youngmen should have occupation instead of their joining the army of revolutionaries and terrorists and be a menace to civilization and progress of our country. I think, Sir, that not a single individual should be retrenched or should have been retrenched. Not only that, I go further and say that retrenched men should be re-appointed immediately thus preventing them from joining the ranks of revolutionaries and terrorists. Sir, it is hunger that drives men to madness, and madness brings in these ideas of sedition and revolution in the country. Sir, in the interest of the country, in the interest of the governed and the Government, it is necessary that more men should be employed, and there should not be any retrenchment, there should not be hunger facing any individual, be he a highly educated man or be he a humble client of my friend, Mr. Joshi.

Mr. B. Das: Mr. Joshi is a well educated man.

Mr. Amar Nath Dutt: He is well educated, and, therefore, he is the champion of labour, and he is not that type of champion of labour who gets Rs. 100 a day as pocket money, but he is a true champion of labour, he is a true servant of India, for whom I have the greatest respect and regard. So what I say is, if necessary, you should reduce your expenditure in other ways, but you should not retrench a single individual. With these words, I support the motion.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, if I intervene in this debate, it is with a view to participating in the general discussion whether the Posts and Telegraphs Department is a commercial department or a non-commercial department, or even to discuss any general questions of policy with reference to retrenchment, but merely to draw the attention of the Honourable Member in charge to a local grievance as to the way in which retrenchment is being carried on. I may be descending from the sublime to the somewhat ordinary, but I think I will be doing more good to the persons concerned than if I were to debate on these general principles. I refer to the City of Madras and to the retrenchment that is proposed to be carried on in the Dead Letter Office in the City of Madras. I understand that the Dead Letter Office section, the Post Master General's office and the Presidency Post Master's office are all three branches of the same unit, they were considered as one unit in the past, that clerks were interchangeable from one office to another, that it is merely an accident that clerks who are now working in the Dead Letter Office are there and not in the Presidency Post Master's office or in the Post Master General's office. Now, the retrenchment that is proposed to be carried on is this. They find there are too many clerks in the Dead Letter Office, and it is proposed to retrench about ten clerks. Now, these clerks are there not by their choice, but because they have been found specially fit for the very complicated work that is carried on by the Dead Letter Office. Those who know anything of that work will realise that the clerks who are posted there must be fairly clever people, they must be people who are in a position to decipher sometimes undecipherable addresses, some of them in hieroglyphics, some of them almost impossible to be made out by ordinary people. These clerks were at some previous period employed in the Presidency Post Master's office or the Post Master General's office. If they had continued there, they would not have had the menace of retrenchment. I am not going into the question whether ten men should be retrenched or not. I accept it, and having accepted it, I suggest that retrenchment should be applied to all the clerks taken together and that similar retrenchment should be applied to whichever clerk who has put in more than 25 years service or is found inefficient either in the Post Master General's office or in the Presidency Post Master's office. Such men should all be retrenched, they should be got rid of in the first instance, and this retrenchment of ten clerks should be distributed over the three sections. It would mean in the final result that some of these clerks, who are working in the Dead Letter Office without being retrenched, may be posted either in the Post Master General's office or in the Presidency Post Master's office. That, I think, would be a fairer method of retrenchment than to retrench only those who happen to be in the Dead Letter Office by mere accident and through no fault of their own. I think that is a grievance which does deserve the serious consideration of my Honourable friend, Sir Thomas Ryan. I believe applications have been sent and memorials have been addressed both by the Associations concerned and by the individual officers regarding this, and I am also given to understand that the proposed retrenchment has not been carried out. I do suggest, Sir, that before retrenchment is being given

effect to, this aspect of the case may be considered, and while I agree, there may be necessity for retrenchment, I do not think it is fair to confine the retrenchment only to the ten men who happen to be in the Dead Letter Office, but, in my opinion, the retrenchment should be spread over all the sections.

Mr. President (The Honourable Sir Shanmukham Chetty): Would Sir Thomas Ryan like to speak after lunch?

Sir Thomas Ryan: I think it will probably take some time, and if you approve, Sir, I should prefer to speak after lunch.

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 Sir Shanmukham Chetty) in the Chair.

Sir Thomas Ryan: Sir, I am glad to observe that among the criticisms brought against my Department from time to time, it is comparatively very rarely that I hear any complaint that it does not do satisfactorily the work for which it is employed; we very rarely hear complaints that we do not carry the letters and deliver them with reasonable speed, or that telegrams are not carried with reasonable promptness and expedition, although I do not claim that we have attained perfection.

Before I come to the immediate point before us, I should like, with your permission, to take advantage of this occasion, which is practically my last appearance here, to acknowledge the co-operation of the post and telegraph staff of all grades to whom I am indebted for that comparative freedom from serious criticism of the Department which it at present enjoys. I have acknowledged their services at the close of my Annual Report, and I think that the acknowledgment is well deserved. (Hear, hear.) We have now before us a motion to condemn the Department because of its policy of retrenchment. I think, before I come to observations on detailed criticisms, that it is desirable that I should refer clearly to the policy laid down for the Department—as it is this which underlies our policy of retrenchment. As Mr. Amar Nath Dutt has said, this policy of the Department has been quite clearly laid down by Government in the past. It was announced by Sir Atul Chatterjee in the Assembly on the 12th March, 1924, and I will just read a few sentences from what he said:

"I entirely agree with Mr. Neogy in considering that the Post Office should be looked upon as a public utility service. But in the same way as the Railways and any other organisations which are for the benefit of the general public and are looked upon as public utility services should at the same time pay their way, I consider that the Post and Telegraph Department should pay its own way; and I have the authority of my Honourable Colleague, the Finance Member, in saying that the Government do not look to the Postal and Telegraph Department as a revenue earning Department."

He then went on to say that it is a valuable monopoly and is a source of benefit to the general taxpayer without being a burden on him.

[Sir Thomas Ryan.]

Now, Sir, if the view expressed by Mr. Joshi were accepted as indicating the policy of the Department, nobody would be better pleased than myself. We would provide postal and telegraph services, wherever they are wanted, regardless of cost. We could provide a magnificent service; cost not coming into consideration, naturally there would be nothing to prevent us from meeting all demands. I should be able to satisfy all Members of this House, and I should leave India with considerably more kudos than I am likely to do; though the Honourable the Finance Member might look a little blue, I should not worry about him. (Laughter.) However, the accepted policy is that the Department must pay its way. It has been very far for some years past from achieving that ideal, and obviously those who are in the immediate charge of the Department must devote their energies to coming, as near as possible, to that mark. When, as at present, the Department is working at a loss in both of its main branches, it is obvious that the departmental staff must do what they can both to increase revenue and to reduce expenditure. As there has been a good deal of comment, I think rather ill-informed, as to the relative position of the postal and telegraph branches of the Department, I should like to dilate a little on this point. The assertion that the postal branch is bled to support the telegraph branch rests on reiteration and not on proof. I hardly indulge in poetry, but I should like to say that I believe that my Honourable friend, Mr. S. C. Mitra, my Honourable friend, Mr. Lahiri Chaudhury, and possibly one or two others have sat at the feet of that distinguished English mathematician, the late Mr. C. L. Dodgson, who wrote a great many books, and in one of his books one of his characters he quotes as saying:

"Tis the note of the Jubjub! Keep count, I entreat;
You will find I have told it you twice.
Tis the song of the Jubjub! The proof is complete,
If only I've stated it thrice."

It is the voice of the Post and Telegraph Union; and we hear it constantly reiterated that the postal branch is the victim of the villains in the telegraph branch of the Department, and this assertion is repeated so frequently that it has become almost to be believed in certain sections of this House.

Now, Sir, I should like to refer to our accounting system as bearing on this question. The accounts system of the Posts and Telegraphs Department has been examined comparatively recently by a Committee presided over by my Honourable friend, Sir Cowasji Jehangir, and that Committee made certain recommendations. It accepted in the main the principles and methods of accounting in force for the Department as a whole, and it made recommendations for certain modifications. The recommendations of that Committee were very carefully considered by Government and a memorandum was placed before the Public Accounts Committee explaining quite clearly why in certain respects the Government of India were unable to fall in with the recommendations of the Committee. Mr. Mitra, recently in a very rapid speech containing more inaccurate statements than I have ever heard in an equally short period of time referred to among other things to the iniquity of the Government in not adopting the recommendations of the Jehangir Committee. Sir, in Appendix No. XXVI, at page 219 of Volume I of the Report of the Public Accounts Committee on the Accounts for 1930-31, there is a memorandum by the Financial Secretary on the recommendations of the Jehangir Committee explaining why the Government

of India, were unable to accept some of those recommendations. That memorandum was brought before the Committee on the 18th August, 1932, Mr. Mitra being present. Its consideration was then postponed. A further memorandum referring to the previous one and summing up the position was placed before the Public Accounts Committee at another meeting on the 8th August, 1933. Mr. Mitra, again, was present, and it was recorded in the final report that the Committee noted the decisions of the Government of India and had no remarks to offer. That statement was signed by Mr. Mitra. It is perfectly open to Honourable Members to say that the accounts of the Department as a whole may be substantially accurate, but that the divisions of receipts and of expenditure as between the branches of the department are incorrect, and I know that Mr. Mitra and certain other Members take that view. They never give us any reason for their view. They accept it as a hypothesis that the Postal Department or the postal branch is being always done in the eye. It is quite true as regards receipts that there are certain adjustments made on the basis of certain averages. So far as I know, these adjustments are just as likely, if inaccurate at all, to be inaccurate to the prejudice of the telegraph branch as of the Postal Branch. However, the whole question of the system of adjustments between branches of the Department is about to be placed specifically before the Public Accounts Committee, and the material necessary for that is now being completed in my office. The House may, therefore, rest assured that this question of the accounts of the different branches of the Department will be considered by that Committee and I think that that is all that can be said on the point at present and I hope that Mr. Mitra, after signing the report of the Committee dealing with that matter, will not immediately afterwards disown it.

Meanwhile, Sir, the accounts of the Department are as accurate as we know how to make them, and they show both main branches of the Department working at a loss. Therefore, as I have said, it is my duty to see that in addition to increasing the receipts, as much as possible, I keep the expenditure down as much as possible in all branches.

Now, Sir, retrenchment being necessary, no apology is being called for from me for doing by best to effect it. I think that a special tribute is due—it has already been rendered this morning, and, I am sure, on previous occasions—to the Retrenchment Committee presided over by Sir Cowasji Jehangir (a Committee different from the one I have previously mentioned) for the invaluable assistance given in pointing the way to certain economies. The recommendations of that Retrenchment Committee have been accepted and carried into force practically in toto by the Government of India. But the necessities of the situation were such that Government should not rest content there and other possibilities of making savings have also been pursued and further valuable savings have been effected, which were not gone into in detail by that Committee.

Now, Sir, one persistent misstatement made by the Postal Union or representatives of the Postal Union relates to the incidence of retrenchment. It is commonly alleged that the retrenchment has been ruthless and heavy in the postal branch, but practically negligible in other branches. I shall give figures, and I trust that they will show Honourable Members, who have the patience to listen to these figures, how far from the truth that view of the case is. I have here a statement showing the approximate results of retrenchment of personnel in the Department likely to be effected up to the end of 1933-34, that is, to the end of this month, and I have here figures showing the percentage of total retrenchment to total strength in

[Sir Thomas Ryan.]

numbers of staff and also in relation to the cost of staff. As regards numbers, gazetted officers 14.9 per cent have been retrenched. Clerical staff in the selection grades 12.6 per cent, in the upper division time scale 15 per cent, but against this there has been an increase in the number of lower division clerks. There has been an increase also, naturally, in the number of extra-departmental postmasters appointed in lieu of departmental postmasters, and the net effect on the clerical staff is a retrenchment of 4.3 per cent. In the numbers of lower subordinate engineering staff, which we are constantly being told has not been touched, there was a retrenchment of 14.5 per cent. In the traffic branch, which is represented as being specially favoured, there was a retrenchment of 12.3 per cent in telegraph masters and telegraphists. In the postmen class, the number is exactly the same, 12.3. In the engineering line staff, 5.2 and inferior servants 3.3, I hardly think the House will wish me to read the corresponding figures of percentages relating to pay charges. They correspond fairly closely with the figures of numbers of staff. Now, of course, there are some people who say that gazetted officers and superior officers are quite unnecessary, and, if employed at all, their numbers can be cut down indefinitely. I know there are some people in this House who hold that all the Superintendents of Post Offices might be abolished! In the first place, I should like to emphasise what I have already said in my annual report on the subject of the overstaffing of this Department with gazetted officers. The point has been made so often that I dealt with that in a special paragraph in the last annual report. I shall read a few sentences from that:

"The total number of superior gazetted staff was 489 at the end of the year. This number includes 154 divisional and other Superintendents, 49 post masters and 73 telegraph traffic officers most of whom are in executive charge of the larger post and telegraph offices or of postal and railway mail service divisions, and 115 assistant and deputy assistant engineers most of whom are in executive charge of engineering subdivisions or in comparable posts. The remaining 98 officers are actually holding higher charges such as are commonly regarded by the general public as controlling the business of the department."

"Mr. S. G. Jog (Berar Representative): What about Post Masters General and Deputy Post Masters General?

Sir Thomas Ryan: They are included in the remaining 98. I deny most emphatically that the Posts and Telegraphs Department is overmanned with gazetted staff. The figures which I have quoted will satisfy the House anyhow that retrenchment has not been confined to the lower staff by any means. Nor is it the case, as has been represented, that the engineering officer staff has not been reduced. There were various recommendations made by the Posts and Telegraphs Retrenchment Committee involving the reduction of one post of Deputy Chief Engineer, one post of Divisional Engineer, Telegraphs, four posts of Assistant Engineers, eight posts of Deputy Assistant Engineers, one post of Assistant Electrical Engineer, five posts of Deputy Assistant Electrical Engineers. If the retrenchment on the engineering side, as a whole, be considered, it will be found, I think, undoubtedly to be somewhat less than the retrenchment in the postal or traffic branches of the Department; but there is this essential difference that whereas the staff in the traffic branch or the postal branch can be understood to have some relation to the actual volume of traffic and work which has been very much less in recent years, it is not the case that the engineering staff, high or low, can in a similar way be

directly co-related with the volume of traffic. The wires of the Department and the instruments of the Department have to be maintained, and they have to be maintained as efficiently whether the traffic passing over the wires is big or small. Actually the wire mileage of the Department has been increasing. Consequently, it is quite unreasonable to suggest that there should be any retrenchment of engineering staff comparable with that which may be possible in times of slack traffic on the postal or the traffic sides. I am indebted to Sir Cowasji Jehangir, and I regret he is not here to hear me say so, for presenting this matter of retrenchment in its true light this morning. It is obvious, I think, that while the policy of Government, which I have mentioned, holds the field that the Department cannot relax its efforts to find all reasonable economies.

A good deal of stress has been laid by one or two Members on the recommendations in the Varma Committee's Report. That was a Committee appointed under the Chairmanship of Mr. Varma, now Financial Adviser, Posts and Telegraphs, to investigate the methods of working and organization in the telegraph traffic branch of the Department. I should like, if I may, at this stage to mention my personal indebtedness to Mr. Varma for the invaluable assistance he has given to me through our association in connection with the posts and telegraphs work. Any improvement which can be pointed to in our financial administration and any improvements in our economical administration are, I think, mainly to be credited to Mr. Varma for his invaluable guidance and advice. (Applause.) As Chairman of the Committee, which I have just mentioned, Mr. Varma has also done invaluable and useful work and he with his colleagues has investigated, in the most painstaking manner, the whole system of dealing with our telegraph traffic. The result is a very full report in which every recommendation made is explained in considerable detail. I do not suppose many Members have read it although some have put down questions about it, and a copy is available in the Library, but I should like to emphasise that this is not a retrenchment report in the ordinary sense. It is not a report indicating merely where staff can be reduced or expenditure curtailed in other directions, merely because of the falling off in business. The recommendations here involve, if accepted in full, a complete reorganization of the telegraph system, and I might mention just a few items which are dealt with in this report, as giving the House some idea of its scope.

The Committee recommends a very important revision of the system and standards for calculating the strength of the operating and clerical staff in our telegraph offices. They discuss the question of, and recommend the extensive installation of, mechanical signalling equipment. They recommend considerable savings of staff through the somewhat heroic measure of abolishing all the reserves in the telegraph operating staff and making good shortages of staff by other means. They propose radical changes in the system and scope of supervision in our telegraph offices. They make far-reaching proposals for the substitution of non-technical for technical staff, and so on. Sir, these, as a whole, are, I believe, most valuable recommendations, but they have to be considered with extreme care, because, to anticipate a point I shall come to presently, I agree entirely with the main proposition which many Members have advanced that in our search for economy we must not sacrifice efficiency. Well, Sir, these recommendations of this Committee have aroused an immense amount of opposition and criticism, partly interested I think, but certainly

[Sir Thomas Ryan.]

partly not interested but based on perfectly *bona fide* uncertainty of the practicability and effect of the adoption of these measures. It is for that reason that I have not been able even now to submit a report, with my fully considered views, to the Government of India for their orders, although my statement of the case is now approaching completion. Members are apprehensive that the recommendations in this Report will involve a further heavy retrenchment—and I know that very great apprehensions are entertained—and as bearing on this I think it is permissible for me to say that it is not likely that I shall be able to recommend the immediate adoption or the sudden introduction of what I might describe as the more revolutionary proposals in this report. It is more likely that I should recommend that they should be introduced and tested tentatively and gradually, and I have, therefore, every confidence that there will not be, in consequence, anything of the nature of the sudden throwing out of employment of large numbers of men which has been anticipated. That is an expression of my personal attitude towards this report, which, I may say, I have discussed in the greatest detail with delegations from the two principal unions of telegraph servants. I am not, of course, able to say what view the Government of India will finally take. I may mention incidentally that I think my Honourable friend, Sir Henry Gidney, is somewhat misinformed or has misjudged the situation in thinking that the recommendations in this report spell disaster to his community so far as employment in the telegraph branch of the Department is concerned.

Lieut.-Colonel Sir Henry Gidney: I am very glad to hear it.

Sir Thomas Ryan: My friend's satisfaction is a little premature, I am afraid, the truth is that it is the changes made in the system of recruitment to telegraphists' ranks which were made some years ago which have produced and are likely to produce some ill effects so far as the members of one community are concerned, but that has nothing to do with the recommendations of this Report. However, the question of the recruitment of that community is a separate one, and I need not pursue it here.

Now, I have said that I am in general agreement, and I am sure, the Government of India are in general agreement, with the view expressed by several Members that we must not carry out retrenchment without proper regard to efficiency; and it certainly has been my instruction to the officers of the Department that, while making strenuous efforts to reduce the cost of the administration to the utmost, they should keep efficiency in view. I do not say that in these efforts to secure economy in some directions, the public convenience may not be to some extent affected. We have, for instance, on the recommendations of the Cowasji Jehangir Committee, reduced the numbers of postal deliveries in various places. If that is regarded as an impairment of efficiency, I admit we have impaired efficiency, but there are very few narrow limits within which we are willing to go in the direction of impairing efficiency. This morning, for example, it was stated by my Honourable friend, Mr. Maswood Ahmad, that one of our measures, the extension of the system of working our post offices by means of extra-departmental agents, has resulted in the shortening of hours and in serious inconvenience to the public in certain places. If the Honourable Member would give me separately some particulars of any cases which have come to his notice of that kind, I shall

be only too glad to go into the matter with the Post Master General concerned and see whether anything can be done to remove any real grievance from which the public may be suffering.

A good deal has been said about the question of our failure to give proper postal facilities in rural areas. Well, Sir, before the financial collapse, we were doing a good deal in that direction. Every year we opened large numbers of new post offices, experimentally in the first place, and we made these offices permanent where there seemed to be any hope, after trial, of their proving successful, and undoubtedly we have had temporarily to abandon that policy under the stress of financial pressure. It is quite true, as has been urged, that we have been closing down offices rather than opening new ones, and I am afraid that it is a case in which, if we are to observe the policy which Government have adopted so far with the general approval of the House, I cannot promise that there will be anything considerable extension of postal facilities in rural areas until the finances of the Department look distinctly better. At the same time, we are by no means going so far as to close all offices which are not paying; even now there are a large number of unremunerative offices, on each of which some actual loss is being incurred.

Another statement made and directly relevant to the question of our retrenchment policy relates to the hardship to individual members of the staff who are thrown out of employment and a passing allusion was made to the effect that they were having no appeal to the Director-General. I think the Honourable Member, who made that remark, was slightly confusing the question of appeals against retrenchment with the question of appeals against orders passed in disciplinary cases. There has been a good deal of discussion about the Statutory rules and orders of Government relating to the imposition of penalties and appeals against them, and it is true that in many cases the rules provide for no appeal to the Director-General. But there is nothing whatever to prevent any member of the staff, who comes under retrenchment, from making a representation—it would not technically be an "appeal"—there is nothing to prevent him making a representation to the head of the Circle and in turn to the head of the Department and to the Government of India. I have received and have considered a certain number of such representations, and I am quite ready to consider any case if reasonable ground is shown.

I think I have touched on the main issues which were raised this morning, but there are a large number of points, more of detail, and I shall endeavour to touch on some at least of these before my time has expired.

Reference has been made to the question of retrenchment in the Dead Letter Offices, the point being that the staff in these offices is being fixed with reference to what is known as a "time test" based on the average time certain operations found to take. It has been represented that certain work no longer goes to these Dead Letter Offices which used to be performed in them, and that as this was the easiest work to do, the work which still remains in the Dead Letter Office is harder and takes more time, and so that the time test should make more allowance for it. It is quite true that one Post Master General or more than one, have recommended a move in that direction, but others have thought it unnecessary; and my decision has been that as the time test is anyhow

2028

LEGISLATIVE ASSEMBLY.

[10TH MARCH 1934.]

[Sir Thomas Ryan.]

never adopted as an absolute fixed rule of thumb, it is not necessary to change it, but heads of Circles know that they have every ground for expecting allowance to be made if they find in practice that the staff of the Dead Letter Offices is being overworked when the total strength is fixed with regard to the existing time tests. My Honourable friend, Mr. Mudaliar, made a minor point regarding the actual treatment of a certain number of men likely to be retrenched in the Dead Letter Office in Madras. The Post and Telegraph Department employ an immense number of men in different parts of the country and employed on different cadres, and we have not thought it practicable to deal with these retrenchment questions in such a way as to involve constant adjustment between one cadre and another. The line we have taken, rightly or wrongly, I, of course, think rightly, as a practical proposition, is where retrenchment in a particular cadre has been found necessary, some person from that cadre has been actually retrenched and we have not attempted to make cross adjustments between one cadre and another. The different offices to which Mr. Mudaliar referred are offices with different cadres, and it is, in pursuance of the practice which I have described, that we have effected our retrenchment in the Dead Letter Offices and propose continuing to do so. I will, however, say that I see there is undoubtedly some reason in the other view of the case that where you retrench in one office, you may have possibly a vacancy occurring in the other and you should transfer that man across; it would be accompanied by various inconveniences, among others it would interfere with the promotion in the cadre which normally goes to the men in that separate cadre. I will promise my friend that I shall look into the point once more; my decision has been against the view which is represented, but I will examine it afresh and see whether we can concede something to the view that he has expressed.

It was alleged by one speaker this morning that, in establishing the appointment of a Deputy Director-General of Finance, we were merely restoring under another name a post which has been retrenched in my office. Well, Sir, those Honourable Members, who were members of the Public Accounts Committee, will remember that a great deal was said there upon the need for improvement in the financial administration of the Posts and Telegraphs Department, and although I myself took and still take the strongest exception to some of the criticisms levelled against the Department before the Public Accounts Committee, I cannot deny that there is great room for improvement in the general financial administration, and it was in pursuance of the views expressed before and by the Public Accounts Committee that the creation of this post was decided upon. The proposals for actually creating the post were placed before the Standing Finance Committee and were approved by that body. The work of this officer will have nothing to do with the work which used to be done by the Deputy who was retrenched on the establishment side in my office, and there is no foundation whatever for the suggestion that we have merely in this case restored under one name a post abolished under another.

Reference was also made to our action in incurring further capital expenditure on the Telegraph Department, but I think there has been some misunderstanding on this point. My Honourable friend, Sir Frank Noyce, desires me to explain a little more clearly than was possible at

the moment what has actually happened. We are restricting capital expenditure nowadays practically exclusively to work necessary for the development of the telephone branch of the Department, and we incur expenditure only which will be directly and almost immediately profitable. It is quite true, as I think my friend, Mr. Joshi, pointed out that a considerable amount of this expenditure was booked not under the head "telephones", but under the head "telegraphs". The reason is that the cost of all the trunk wires and the line equipment is booked under the head "telegraphs", actually there are no separate telephone trunk lines. But although the capital expenditure is booked under the head "telegraphs", there is an adjustment in respect of the use of the equipment between the telephone branch and the telegraph branch, so that in actual fact, the expenditure, as I have said, is being incurred for the benefit of the telephone branch and the ultimate debit for the use of these wires and instruments and the interest on capital is brought against the telephone account.

Some condemnatory remarks were also made with regard to another matter, our incurring substantial losses on unserviceable stores. I should like to mention with regard to this question of store that we have been making a very great improvement. When the country emerged from the Great War, we had a stores balance of over 2½ crores in book value and we have been doing our utmost in recent years to bring down this to a reasonable figure. At the end of the coming year, we estimate the total stores balance will be round about 50 lakhs in value, including about 20 lakhs of stores held for, and at the cost of, the Army Department. It is inevitable that, in the management of any big stores organisation in which the balances are being rapidly brought down, there shall be a certain amount of write off of unserviceable and obsolete stores. In every store yard, there must be from time to time a clearing up and writing off or writing down of the value of unserviceable or obsolete stores. The figures relating to this matter come regularly before the Public Accounts Committee every year and it is open to members of that body, who are interested in this point, to deal with it there.

I think it was Mr. Lahiri Chaudhury who referred to the circumstance of our having three classes of engineering officers for different kinds of work. Actually that is not the case of the superior officers of the Department except in so far as we have a very small separate staff for the highly specialised business of wireless engineering. But it is quite true that we have a division into more or less water-tight compartments of officers employed on telephone, electrical and general engineering, and my Honourable friend will be glad to learn that this point has been rather fully dealt with by the Varma Committee and the views of that Committee bearing on this are amongst those on which I shall shortly be making my recommendations to Government, and I shall certainly give due weight to the fact that my Honourable friend, Mr. Lahiri Chaudhury, also thinks that something should be done in this matter.

I need not follow my Honourable friend, Mr. Jadhav, as I think most of what he said will be of more relevance when we come to discuss the provisions in the Finance Bill relating to postal rates, but I was glad to notice incidentally that he admitted that there was at present an abuse of the book-packet system by some who ordinarily send their communications by postcards.

Mr. Amar Nath Dutt, although he signed the report of the Cowasji Jehangir Committee, which recommended rather extensive retrenchment,

[Sir Thomas Ryan.]

has curiously enough now changed his mind and says that he would not have any retrenchment of the staff, but would have reduction in other ways. I shall be most grateful to him if he will indicate some of those other ways in which we can make further practical retrenchments.

Sir, I have probably not dealt with every detail which has been mentioned this morning. I am afraid the time available would not permit of that; but I trust I have said enough to show that our general retrenchment policy is in accordance with the policy which has been known to and accepted by this House for many years, and that it is inevitable that our efforts at saving expenditure must continue, and that we have not been unreasonable in the manner in which we have been carrying it out. I think I may safely say that to vote against the continuance of retrenchment is to vote against the most practical step that I can adopt towards the ultimate further reduction of postal charges.

Mr. S. C. Mitra: Sir, I regret that my friend, Sir Cowasji Jehangir, was absent when I moved this cut motion early this morning. He misconceived the whole purpose of my motion and devoted his speech of more than half an hour to a matter on which I fully agree with him. In my motion, I have never said that I am against retrenchment. I only take exception to the method that the Government of India have adopted in giving effect to the retrenchment policy. Sir, I accept Government's position that the Postal Department is a public utility department, and I further agree with them that there is no reason why, because it is a public utility department, it should not pay its expenses. But what I maintain is that the postal side of this Posts and Telegraphs Department is paying its way, and I shall presently show from the figures quoted by Sir Thomas Ryan himself in the latest Administration Report that it is paying its way. And I shall presently substantiate my grievances against that Department as to why they have not taken practical steps to show to the contrary, if they wanted it. I know Sir Thomas Ryan is rather sensitive about the remarks passed in this House, and I appeal to him to bear with me for a few minutes and consider the points that I make. In his latest Report, he shows that in the postal side there is a deficit of Rs. 6,07,345, while, on the telegraph side, there is a deficit of Rs. 33,47,588. A few lines below in the same Report it is stated that for the retrenched personnel and for their gratuities, commutation of pensions, etc., they had to pay during the year Rs. 7,38,057. What does it prove? If these extraordinary payments had not been made, the Postal Department, even according to his own calculations, was paying its way. But my contention is far more substantial than that. As I have said, I do not claim to show merely by this that if you wiped out this emergency payment during the year, it is a balanced Budget. But, apart from that, in this House I made a complaint that proper allocation was not made between Postal and Telegraphic revenues. I will repeat now what my allegations were. I said that for the telegrams you can have separate stamps, and after the year we can count it up, as has been done with the revenue stamps this year. In every Post and Telegraph office, there is an account of how much they get in the shape of telegraph stamps. With a little trouble and the expenditure of a few rupees, they can specifically say what amount is due to the Telegraph Department and what

amount is due to the Postal Department. What they now do is—they have fixed a problematic ratio. Why do you always take shelter behind this useless excuse and make a whimsical allotment of postal and telegraphic income? Have a calculation of telegraphic income and a calculation for post office income, and you can once for all allay apprehensions by giving the exact figures that this is the amount you get from the Telegraph Department, that this is the income of the Telegraph Department and that this is the income from the Postal Department. Once for all you can refute our allegation if it is not correct.

Sir Thomas Ryan: Sir, I may say, if the Honourable Member will excuse my interrupting him, that at one time there were separate postal and telegraph stamps and they were abolished, as I believe, in the interest of public convenience. The Honourable Member may be perfectly right in saying that the present system is unfair to the Postal Department, though I have no reason to believe that it is more unfair to them than to the Telegraph Department. But, in any case, this question will come specifically and categorically before the Public Accounts Committee very shortly.

Mr. S. C. Mitra: As Sir Thomas Ryan has referred to the Public Accounts Committee, I think I should clear myself of the charge he made, because, when he was quoting from the report of each meeting of the Committee and said that I was present, I thought he was searching my name to decide whether I should be entitled to a Knighthood for regular attendance at these meetings like some other Members, I mean my friend, Sardar Jawahar Singh, who got a Knighthood merely for regular attendance in the Assembly. But curiously enough I found that he was quoting from the Report Volume, page 36, where it is said in paragraph 57:

"The Committee noted the decisions of the Government of India and had no remarks to offer."

Now, Sir, you will bear with me for a few seconds while I show how this statement in the Report really represents the true state of things. I refer to the Evidence Volume and you and the House will judge how far they are correct or I am correct. On page 71, the Chairman said:

"The Jehangir Committee report is not before us. Only one particular recommendation of that report and the action taken upon it has been before us in Appendix IX."

Mr. Ramsay Scott: The Government may put in a Resolution asking the Assembly to consider whether the division between the Posts and Telegraphs is correct.

Chairman: It is rather difficult for us to record any finding on an issue which has not been placed before us.

Mr. Badenoch: The whole method of distribution has been before the Auditor General. The whole scheme was worked out by myself and Mr. Varma and was put before Sir Frederic Gauntlett and the Government of India and that method was accepted. As far as I know the Posts and Telegraphs Accounts Enquiry Committee accepted it *en bloc*.

Mr. Varma: The Jehangir Committee was appointed as a direct result of the recommendation of the Public Accounts Committee. The Committee have examined in accordance with the terms of reference, every one of the principles on which commercialisation of accounts was carried out by Government in 1925. It is clear that barring certain small modifications here and there, the Committee had no objection to raise against the principles on which the commercial accounts were organised in 1925. I submit that this report is before this Committee and they can record their opinion.

[Mr. S. C. Mitra.]

Chairman: It is a little difficult to ask non-official members to record a definite finding on an issue which has not expressly been framed for their consideration at this meeting.

Mr. Varma: The Accounts Committee was appointed at the instance of the Public Accounts Committee and the Report of that Committee is before the Public Accounts Committee.

Mr. Badenoch: The method of allocation was accepted by Sir Frederic Gauntlett in 1925 and by the Government of India. We have no reason to reconsider that, so that the original acceptance stands.

Mr. S. C. Mitra: The Committee wanted to have a day for discussion but somehow or other they could not have."

That was the position on the last Report: it was decided that a day will be devoted in the Public Accounts Committee to go through this Report: that was denied. To continue my quotation: Mr. Varma then said:

"In paragraph 15, the Committee say:

"The Committee discussed the procedure for dealing with the report of the Posts and Telegraphs Enquiry Committee and accepted the suggestion of the Chairman that it was not necessary for Government to consult the Public Accounts Committee in regard to those recommendations which they accepted, but that in cases where Government felt unable to accept the recommendations, the Committee should be given an opportunity of considering the points involved and recording its views."

Chairman: All I am prepared to do is to record a note that the Posts and Telegraphs Committee did not make any recommendation that there should be a departure from the arrangements which have been agreed to between the Auditor General and the Department regarding the classification of charges in the commercial accounts and as to exhibit a proper working of the Department as between the two branches and that we will also inform the Auditor General that this position is correct. Beyond noting that we cannot go further because that particular point has not been brought before us.

Mr. Anwar-ul-Azim: It would be tantamount to an expression of opinion by the Public Accounts Committee. The Director General Posts and Telegraphs, has got the opinion of the Jehangir Committee; then why trouble us now?

(The other non-official members agreed with Mr. Anwar-ul-Azim.)

Chairman: I think, Sir Thomas, you should be content to quote the Jehangir Committee Report, as an authority in the Assembly when the question comes up and not ask the support of the Public Accounts Committee. If the matter is brought before this Committee with all the relevant material the Committee will consider it."

After this, is any refutation of the charges necessary of what Sir Thomas Ryan said that I do something in the Public Accounts Committee and contradict it here? We did not go into the Report at all and much less accepted it.

Sir Thomas Ryan: May I say that just now when I was speaking, I attempted to draw a very clear distinction between two things, first I took the question of the recommendations of the Committee presided over by Sir Cowasji Jehangir, that is, relating to the accounts of the Department as a whole: the recommendations in that Report were not completely adopted by the Government of India, and the Government of India explained to the Public Accounts Committee their views with regard to those recommendations which they had not accepted. The Public Accounts Committee considered the explanation given by the Government and they recorded that they had no remarks to offer on the subject. That statement

was signed by, amongst others, Mr. S. C. Mitra. I was speaking and I speak now of the Report of the Public Accounts Committee on the accounts of the Department as a whole. It was quite true that, when I appeared before the Public Accounts Committee, I sought their verdict on another question, the separate question of the division in our accounts between the different branches of the Department, and I think that what Mr. Mitra has read is relevant to that separate question. There I failed—I got no verdict from the Public Accounts Committee—and it was left at this, that the matter would be brought before the Public Accounts Committee separately; and as I have tried to explain just now that submission to the Public Accounts Committee will be made; but undoubtedly in his speech on the General Budget, Mr. S. C. Mitra did tax Government with not having accepted the recommendations of the Cowasji Jehangir Committee: to the extent to which Government have not done so, Government had the support of the Public Accounts Committee.

Mr. S. C. Mitra: You are misquoting me: I think you could not follow me, as I was perhaps reading very fast.

Sir Thomas Ryan: When the actual documents are not before the House, it is difficult for me to discuss them further: but, I maintain, it is verifiable from the records of the Assembly that, a few days ago, Mr. Mitra taxed us with not accepting the recommendations of the Cowasji Jehangir Committee, whereas he was a party to the acquiescence in the attitude of the Government towards those recommendations.

Mr. S. C. Mitra: Sir, I do not like to remonstrate with Sir Thomas Ryan at length—I will only read the last sentence of the Chairman's ruling on that day:

"If the matter is brought before this Committee with all the relevant material, the Committee will consider it."

At that stage, we were not allowed to discuss that question. In the very beginning, I said

"As regards paragraph 3, the Government of India had not been able to accept the four recommendations."

and I wanted to discuss the whole thing. If you read the whole discussion, Sir, you will be surprised to hear how the Public Accounts Committee was treated by this Department. It was mostly at the instance of the Honourable the Finance Member, Sir George Schuster, who from the very beginning as Chairman of the Public Accounts Committee thought that there should be a small sub-committee to go into the depreciation fund and other accounts of the Postal Department—he was not very happy over these matters and suggested that there should be a small sub-committee of the Public Accounts Committee itself to go through the matters: but for some reason, best known to Government, they appointed a different Committee and that Committee reported; but we wanted that the whole report should be placed before the Public Accounts Committee; but, as I have quoted here, they said that the Government of India had gone through it and discussed it with the Auditor General and there is no chance of their going back on it; and so, what was the use of submitting the Report? That was the reason why the Chairman, Mr. Lloyd, at that time, ruled that the whole Committee's report was not before us

[Mr. S. C. Mitra.]

and so we were not allowed to enter into the merits of the whole report. I do not make any specific complaint against that; but when Sir Thomas Ryan brings a charge against us and wants to say "Mr. S. C. Mitra in the Public Accounts Committee slept over this matter, and now he comes to this House to mislead it", I have to refute his misleading statement.

Now, let us come to the main points. I fully maintain that this Postal Department is self-supporting, and it is not I alone who stress this point times without number, but it is the opinion of the general body of elected Members on this side of the House; and when we challenge them every time as to why they do not for one year at least spend something and show the exact figures—because they have in their accounts the receipts from stamps for telegraph purposes, and they can get it for any year—and then come and face us with the facts, they will never take up that suggestion: every time they have a whimsical way of fixing a certain percentage—it is known to them only how they arrive at that ratio—as allocated to the telegraph side and some percentage as going to the postal side. But why should we be treated to these hypothetical percentages, and why should we not at least for one year see for ourselves whether this Department is self-supporting or not? So, Sir, I say that it is due to miscalculation and a wrong appreciation of the Budget position that the postal side is considered to be unable to pay its way.

Then, as regards retrenchment, I made my points in my speech. There is, however, one point on which I should like to have some information. The other day we came to know that in the Army Department the five per cent. cut in the pay was in some specially hard cases exempted, but so far as the Postal Department is concerned, I do not know of any such hard cases in which the authorities have exempted people from this five per cent. cut in salary, though in this Department most of the people are underpaid officials. Sir Cowasji Jehangir's Committee recommended a certain scale of retrenchment. I speak, of course, subject to correction by the Honourable Member in charge, and I want to know whether they have not gone very far to the extreme from the suggestions made by that Committee? Was there any suggestion for doing away with any percentage of the selection grade posts which affected a large number of officers in the lower grades? Is it not a fact that in July, 1931, when this Committee met, the price of the postcard was two pice and that of the envelope was one anna? Not only have the Postal Department accepted the recommendations of this Committee, but they have gone far ahead of those recommendations, particularly in regard to the retrenchment of lower grade officials. I would request my friend, Sir Cowasji Jehangir, to see for himself what is the position of this Department before he gives a general certificate to the Government that they have done nothing but justice. Sir, I maintain that there should be retrenchment in every Department of the Government. On principle, I am as strong as my friend, Sir Cowasji Jehangir, in holding that there should be retrenchment wherever it is possible, but there have been several Retrenchment Committees. Sir Cowasji Jehangir presided over two Retrenchment Committees, Mr. Varma presided over some Committees, and now they have got a sanction of Rs. 60,000 for another Retrenchment Committee. In this way, Retrenchment Committees are going on. Now, if Government really want an expert Retrenchment Committee, they should select a Committee from outside, because, so far, in these Committees their own officers sit and decide

matters in a way prejudicial to the interests of poor post men and poor clerks, while sparing higher officers. That is a policy against which I have to take exception. I am not against retrenchment. Therefore, I see no reason why I should not press this motion.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

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

The motion was negatived.

Condition of the Extra Departmental Agents.

Mr. S. C. Mitra: Sir, I move:

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

The Postal Enquiry Committee of 1920 introduced time-scale of pay for all the employees of the Postal Department save and except the extra departmental agents. The scale of pay of the entire staff of the Department was further re-examined in 1926, and, as a result, the scale of pay now enjoyed by the staff was sanctioned, but this time also the extra departmental agents were left untouched. Assurances were given times without number that the cases of these officials would be considered, but nothing substantial has been done yet. The Postal Unions have also been pressing for the last 12 years for increasing the emoluments of the extra departmental agents, but its prayer has been respected by the Government by issuing orders recently for further reduction in allowance. The meagre allowance which these unfortunate officials are getting are just sufficient to meet the expenses of the midday tiffin only. In comparison with the volume of works, the nature of duties they have to perform and the amount of responsibilities they have to shoulder, the allowance they draw is nothing and these extra departmental agents can rightly be designated as a band of honorary workers. Now, the Government, instead of taking steps to increase their emoluments, have issued orders fixing a new standard for determining the allowance of such officials. The Director-General in his G. O. No. 6, dated the 23rd June, 1932, has laid down the following principle for counting the points:

- (1) That for each Rs. 15 worth of stamps and stationery sold per mensem up to Rs. 75 and for each Rs. 30 worth in excess of Rs. 75 per mensem—one point.
- (2) That for each Rs. 500 worth of money orders issued and paid, savings bank deposits and withdrawals and cash certificates issued and discharged—all taken together—per mensem up to Rs. 3,000 and for each Rs. 1,000 worth of each transaction in excess of Rs. 3,000 per mensem.

In fixing the above standard, the amount of labour each extra departmental agent has to perform has not at all been taken into consideration. Officials doing more work may sometimes draw less allowance than those who are actually performing less work. As for example, according to the new standard up to Rs. 75 worth of stamp sold per mensem will count one point, but if thorough examinations of records and statistics are made, it will come to light that there are offices in which an extra departmental agent has to deal with one or two or utmost ten persons

[Mr. S. C. Mitra.]

in selling stamps worth Rs. 75 or so, but instances are not rare in which it will be found that there are certainly extra departmental sub or branch offices in which an extra departmental agent has to satisfy 100 or 200 persons in selling stamps equivalent to one point.

In similar ways, it can be shewn that a sum of Rs. 500 can be remitted by a single person by a single money order and sometimes such a sum is found to be remitted by 50 (fifty) persons by 50 different money orders. A postmaster, in issuing cash certificates of Rs. 500 as face value consisting of five cash certificates of 100 rupee denomination each, has to do more work and spend more time than a postmaster who has the good fortune of issuing by a single certificate of Rs. 500 denomination.

The Honourable Sir Frank Noyce: I am very sorry to interrupt the Honourable Member. May I draw his attention to the fact that he is placing my Honourable friend, Sir Thomas Ryan, at a very great disadvantage?

Mr. S. C. Mitra: Do you want a louder voice?

The Honourable Sir Frank Noyce: No, Sir; I should like to have a little less speed. The Honourable Member is not racing against time as he was on a previous occasion.

Mr. S. C. Mitra: I accept the suggestion, Sir. I thought that the subject matter that I am now dealing with was so common place to the Director-General who is retiring that he would be able to follow the speech even if it were delivered at a much more rapid speed.

The Honourable Sir Frank Noyce: I might explain, Sir, that I at any rate am willing to learn from him.

Mr. S. C. Mitra: It is, therefore, necessary that amount of labour should be counted in determining the allowances and establishment charges of an extra departmental sub or branch office.

In paragraph 3 of the Director-General's G. O. No. 6 of 28rd June, 1932, it is stated as follows:

"The standard should be applied to all extra departmental branch offices and when such application would result in a decrease of existing allowance, this is to be limited in the case of present incumbents to 10 per cent of the sanctioned allowance."

But it is to be applied subject, of course, to the proviso in paragraph 2 above in full on any change of incumbents. Thus it is definitely laid down that in applying the standard the emolument of an extra departmental agent should not be decreased by more than ten per cent. of his present allowance, but it appears that the divisional authorities, perhaps, under instruction from the head of the Circle have ordered in some cases 30 or 40 per cent. reduction. Such reduction according to the orders can only be done on any change of incumbents. There are also instances that full reduction has been effected by changing the incumbent even.

In short the extra departmental agents asked for bread, but they have been given stone. The Government, instead of taking steps to increase their allowances, have fixed such a standard, according to which calculation the allowances of all the extra departmental agents have been

reduced. An official who was getting Rs. ten per month will now get Rs. five only. This is a negation of justice.

The demand of the staff is to revise the standard in such a way that at least no body's allowance is substantially reduced. The plea of the Government is that this is their extra work. Sir, I know that my Honourable friend, Sir Frank Noyce, is not well acquainted with the details of the postal administration, and so I should like to elaborate the subject still further. These people are not Government servants according to Government interpretation, but still they carry out the duties of postmasters with a small allowance ranging from Rs. 5 to Rs. 12 or Rs. 15. I hope that my Honourable friend, Mr. Amar Nath Dutt, will explain to the House how necessary and how essential is the service of these extra departmental agents throughout India, and they are the real foundation of this Postal Department. They, in the numerous villages, perform functions for this Postal Department, but curiously enough they are not recognised as Government servants. There is a curious rule, before these persons are enlisted, that they are asked to say whether they have any subsidiary business. In these hard days, when people cannot get even mere subsistence, they give wrong information saying that they have some subsidiary business, that they have a shop or that they have a teachership, and thus they secure these posts of extra departmental agents. But the work is so onerous that the whole of their time is devoted to this work. They do not get any advantage of the leave rules, and, if they have to go on leave, they must bring a substitute for whom they are responsible. The result is, if anybody goes through the postal administration report, he will find there are numbers of cases of theft and embezzlement by these very poorly paid officers who have to deal with large sums of money. We have all along suggested for a long time that at least their allowances might be increased. They have to pay from their own pockets for contingencies and even for a lamp or ink, and they have to supply their own chairs and tables. This is the justice that is being done by the Department! When this matter was represented to that kind and good ex-Director-General Sir Hubert Sams, he took the matter very sympathetically, but as there were thousands of such persons,—even if their emoluments were increased by one or two rupees, it would amount to a very substantial sum,—the financial stringency stood in the way. Now that the budget of the Department is going to be balanced, the Department should favourably consider the question of increase in the allowances of these extra departmental agents. The system of recording points which they have now adopted is a very curious system. They get a point for sending a money order of Rs. 500. If one man sends that amount, it is all right, but when 20 or 30 persons send money orders, the total of which comes to Rs. 500, it means 20 or 30 times more work for the man, but according to the curious rules of this Department the amount of money order is considered and not the labour that is involved in sending out these money orders. With these words, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Out motion moved:

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

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, I also live in a village in which there is an extra departmental agent. I have some knowledge of the drudgery through which these people have to go. In a village, generally people come and purchase one postcard, one envelope, and so on, and they are not rich men to purchase at one time a large number of postcards and envelopes.

[At this stage, Mr. President (The Honourable Sir Shammukham Chetty) vacated the Chair which was then occupied by Sir Abdur Rahim, one of the Panel of Chairmen.]

Generally hundreds of persons would come to the man, and the poor fellow would have to spend not less than two or three minutes for every one of them in giving them a postcard of three pice. So is the case with money orders. These extra departmental men have got to teach people how to write money orders, because you do not find many people in the village to do that work, and those money orders are all of very small value. So, if the point system which has been suggested is going to be brought into operation, then people would have nothing left to them. The present scale of remuneration given to them is very, very small. In my Province of Bihar, it is only Rs. 10, but if this is going to be reduced, then there will be nothing left for these people to live on. Therefore, I think the point system should be revised so far as these extra departmental agents are concerned. The value in money should not be the consideration for giving remuneration; the amount of work put in should be the real test to guide as to what they should get. With these words, I support my Honourable friend, Mr. Mitra, on this point.

Mr. M. Maswood Ahmad: I want to make certain observations in this connection. There are many troubles which these extra departmental agents feel, and one of them is that they cannot contribute to the provident fund. When they are doing the same duty as departmental men, with a very scanty remuneration, they should have the privileges which the departmental officers have and they should have a chance to contribute to the provident fund as well. Again, my experience of Bihar is that all these extra departmental agents get the same pay whether the work is less or more, and that is not a good system. In certain places you will find the work is greater, the number of money orders is much larger, more letters have to be dealt with, and such people must get more allowance than those who have less work. At present there are two or three different kinds of these extra departmental officers. Some deal with money order and letter business only, some do registration and insurance business also, and yet some others do savings bank business. Though they have their works increased, their pay and allowances remain as before.

I have some knowledge of these extra departmental offices. In my village, the man in charge of the office gets Rs. 8, and not Rs. 10 as suggested by my Honourable friend, Mr. Shafee Daoodi. Generally it is Rs. 8 in my part of the country. He got the same pay when the work of the office, Khalilabad Nataul, was confined to money orders and letters only. Afterwards they added registration, insurance, and, again, the savings bank business, but all this time there has been no increase of pay. This is very hard and the Department must consider such cases sympathetically. They need not increase the allowance where the work is less,

but where the work is more, the remuneration also should be more, and when they give more time, they should certainly get more money for this work.

I hope my friend will not ask my friend, Mr. Mitra, when he is moving his second motion, to go slowly. Though it is better for my Honourable friend to learn something, still it is injurious for us, because there are many other cuts. With these observations, I support the motion moved by my Honourable friend.

Sir Cowasji Jehangir: Mr. President, so far as I remember, the Retrenchment Committee did examine the question of these extra departmental postmasters and they came to the conclusion that they should be encouraged. It was pointed out to the Committee that it was very difficult to get petty shop keepers, teachers and men of that class, who are appointed as extra departmental postmasters, to consent to serve. Naturally the answer was that you must make it more attractive and I believe that one of the recommendations of the Committee was that, since they also recommended the abolition of a certain number of post offices, these extra departmental postmasters should be given more attractive terms. That I believe, was the recommendation of the Committee. I have not been able to look it up. I have not been able to get a copy of the report yet. Sir Thomas will be able to verify whether my facts are correct. If so, the question arises how Government's action is consistent with the report, if Mr. Mitra's facts are correct. So far as I could follow Mr. Mitra, he quoted some orders of Government whereby the remuneration given to these extra departmental postmasters was actually reduced. If that fact is correct and if my memory does not play me false, such a policy would be exactly opposite to the policy suggested by the Retrenchment Committee. I think the point requires further elucidation. If, on account of retrenchment, we are to get rid of post offices which are never likely to pay, something must take their place and the only thing that can take their place is extra departmental postmasters. There must be some misunderstanding somewhere, I believe, and I would appeal to the Director-General of Posts and Telegraphs to clear up the point and to tell us how far he has encouraged these extra departmental postmasters.

Sir Thomas Ryan: There is a very large number of extra departmental postmasters employed in the Posts and Telegraphs Department. The number approaches 20,000, and obviously if I am to pursue the ideal of getting the work of the Department done as cheaply as reasonably possible, it is necessary that I should keep down, as far as reasonably can be done, the amount paid to these people. One rupee increase per man per month might seem a very small sum, but it represents in the aggregate over two lakhs a year, and it is necessary to keep down our expenses. Certainly, we have, fairly recently—I do not remember the precise date quoted by Mr. Mitra—endeavoured to see whether we can get extra departmental agents on more economical terms than before. It is true that the Committee presided over by my friend, Sir Cowasji Jehangir, recommended an extension of this system. On the point of remuneration, however, they only said:

"We recommend that if it be found necessary to attract a suitable quality of men such as respectable shop keepers, etc., Government should agree to increasing the allowances to Rs. 30 or Rs. 40."

[Sir Thomas Ryan.]

We have approved of enhanced allowances being given *where necessary*, which is all that the Committee recommended, but I am sure Sir Cowasji Jehangir, who spoke eloquently this morning in favour of economy and the avoidance of extravagance, would not recommend that we should pay more than we need pay under this head. I must confess I was somewhat at a disadvantage, when my friend, Mr. Mitra, was speaking, of not being able to follow very closely his very fluent speech, but I can at least say this much that even I, like Sir Frank Noyce, am prepared to learn from my friend, Mr. Mitra

Mr. S. C. Mitra: We cannot hear you. We have the same disadvantage.

Sir Thomas Ryan: I shall certainly, when I get the text of what my friend, Mr. Mitra said, I shall study it very closely and I will undertake to review the question of the remuneration of these extra departmental agents, but I trust that the undertaking to review it will not be understood as a categorical promise that it will inevitably be increased. I will examine the matter and if I should find that there is reason for reopening the question of their remuneration with a view to raising it, I should not hesitate to take the necessary action. There is just one point. It was stated that divisional officers go beyond the instructions issued to them by the Director-General, and, if so, I shall take steps to correct them. I think in view of the assurance I have given that I will consider the subject, though not necessarily favourably, the motion will not be pressed to a division.

Mr. S. C. Mitra: In view of the sympathetic reply, I beg leave of the House to withdraw my motion.

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

Selection Grade Posts.

Mr. S. C. Mitra: I move:

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

In course of last year's Budget discussion, my friends, Messrs. Azhar Ali and Lahiri Chaudhury, brought to the notice of the Department the reckless manner in which the selection grade posts in the Post Office and Railway Mail Service were being retrenched, specially in Bengal and Assam, United Provinces and Bihar and Orissa, but I regret to note that, instead of any improvement, matters have gone from bad to worse and nearly 200 selection grade posts, including those of first class town inspectors, have been brought under reduction. I am of the considered opinion that this drastic policy will inevitably cause, if it has not done so already, serious deterioration of efficiency of the postal service. It goes without saying that, unless the supervision is strengthened by increasing the selection grade posts, cases of fraud and irregularities will tremendously increase and public interests will suffer. I have endeavoured to ascertain the principle on which the selection grade posts are fixed, but

I must confess I have entirely failed. On the other hand, the statistics supplied by the Department in the following table in reply to one of my questions go to show that there is absolutely no such principle.

Name of Head Post Office or town sub-post office.	Number of clerks.	Number of sorting and overseer postmen.	Pay of Deputy Post Masters.	Number of Assistant Post Masters.	Pay of Assistant Post Masters.
			Rs.		Rs.
Chittagong	37	<i>Nil</i>	160—250	<i>Nil</i>	<i>Nil</i> .
Dacca	55	6	250—350	1	160—250
Mymensingh	44	1	160—250	<i>Nil</i>	<i>Nil</i> .
Howrah	39	5	160—250	<i>Nil</i>	<i>Nil</i> .
Bara Bazar	56	13	160—250	2	160—250
Patna	38	2	160—250	1	160—250
Agra	35	6	160—250	2	160—250
Allahabad	48	7	160—250	2	160—250
Lucknow	59	6	250—350	3	160—250
Meerut	30	5	160—250	1	160—250
Peshawar	37	2	160—250	2	160—250
Kalbadavi	57	15	160—250	2	160—250
Bangalore	44	5	250—350	2	160—250
Madura	30	1	250—350	1	160—250

It will appear that the pay of Deputy Postmasters, Peshawar, Bangalore, and Madura is in the grade of Rs. 250—350, but that of the Deputy Postmasters, Chittagong, Mymensingh, Barabazar, Allahabad, Kalbadavi, etc., is in the lower selection grade of Rs. 160—250, although the number of clerks in the latter is more than in the former. These are only a few cases, and I feel sure that, if similar statistics are obtained for all the offices, they will strongly corroborate my statement. Again, the selection grade posts of Assistant Postmasters in some of the offices, specially in Bengal have been abolished in offices like Chittagong, Mymensingh, Howrah, Bowbazar, Park Street and Dharamtala, while they have been retained in the offices in the above list although the number of clerks there is less. Here, again, I say emphatically that if complete statistics are obtained, they will prove my assertion that, neither in fixing selection grade posts nor in abolishing any such posts, the Heads of Circles have followed any consistent standard. It all depends on their sweet will or rather whim.

It was mentioned last year as to how the Postmaster-General, Bengal and Assam Circle, was overzealous to effect retrenchment in his Circle, and,

[Mr. S. C. Mitra.]

in the matter of retrenchment, Calcutta had been hard-hit. As many as 16 selection grade posts have been brought under reduction. These selection grade posts were created as a result of the Postal Enquiry Committee. While in other Cities like Bombay and Madras, no retrenchment in the selection grade posts has been made, in Calcutta, retrenchment has been made with a vengeance. I shall specially cite here several cases. The Postal Enquiry Committee recommended 50 selection grade posts in the grades of Rs. 100—175, 145—170 and 175—225 taken together, of which 30 were recommended for the Calcutta General Post Office proper and 20 for the old Calcutta Railway Mail Service which has since been amalgamated with the Calcutta General Post Office. Out of these appointments, 11 have been retrenched. The Committee further recommended that the posts of Assistant Sub-Postmasters of Bowbazar and Dharamtala should be in the selection grade, but these two have been converted into time-scales. It has been stated that the posts of the Assistant Sub-Postmasters have been converted into time-scale, because of the fact that the pay of Deputy Postmasters of these post offices are also in the grade of Rs. 160—250, so these posts are considered redundant. So far as my information goes, the pay of the Deputy Postmasters of the following offices are also in the grade of Rs. 160—250, but the pay of the Assistant Postmasters are also in the same grade of Rs. 160—250. The offices are Allahabad, Peshawar, Meerut, Patna and Agra. Perhaps for Calcutta it is considered redundant, but for others it is considered a necessity. Of course, I do not say for a moment that restriction of selection grade posts in these offices has been improper, but it is just and proper.

From the comparative position of Bombay and Calcutta, I am led to think that there must be some sort of principle in the former while there has been none in the latter place. I find from the statistics supplied to me by the Department that in the money order department, Bombay General Post Office, there are five selection grade posts for 39 clerks, while, in the same department in the Calcutta General Post Office, there are only four selection grade officials for 64 clerks. Similarly, in the Savings Bank Department, Bombay, there are four selection grade posts for 21 clerks, while, in Calcutta, there are only three selection grade posts for 31 clerks in the Savings Bank Department. Instances like this can be multiplied. I am of deliberate opinion that this disparity is due to the difference in the mental outlook and angle of vision of the two heads of Circles concerned. For several years past, no Postmaster-General has held charge of Bengal and Assam Circle for more than a year. Being somewhat like a bird of passage, he could not have been quite as sympathetic and desirous of maintaining a continuity of policy like the Postmaster-General, Bombay. The fact of the Postmaster-General, Bengal and Assam, having been a Telegraph man, and, therefore, less familiar with postal affairs may have also something to do with this. The result has been that there has been more drastic retrenchment, not only in selection grade posts, but in the personnel of all the various cadres in the Post Office and Railway Mail Service subordinate staff in Bengal and Assam Circle. I wish to draw the impartial attention of the Director-General to this deplorable state of things.

The Postal Enquiry Committee laid down the standard that all post offices with five or more clerks, all Railway Mail Service travelling sections

with six sorters and stationary mail offices with seven sorters should be under the supervision of selection grade officials. They did not, however, lay down any definite and concrete standard for fixing selection grade posts in big offices. The Director-General has lately issued a formula under which supervisors, exercising supervision over the work of ten clerks, may be in the selection grade. This standard is very low as in practice a supervisor cannot supervise over the work of ten clerks. I particularly mention here the case of the Savings Bank Department where it is impossible for one supervisor to sign all the documents sent by ten Savings Bank clerks.

Similarly one supervisor cannot supervise over the work of ten clerks in the money order or insurance branch. The standard should considerably be raised especially for these important branches. In every office, where there are at least 20 clerks excluding the postmaster and deputy postmaster or the sub and deputy sub-postmaster, there should be one assistant postmaster in the selection grade to hold charge of the registration and parcel departments. In sub-offices in Calcutta, deputy postmasters are required to attend office at 10 A.M., and cannot leave office before 7-30 P.M. If an impartial enquiry is made, it will be found how much overworked they are. All deputy postmasters, as a rule, are most overworked officials. It is essentially necessary that they should be relieved of some of their duties. Where the money order branch is heavy, there should be another assistant postmaster for the money order branch. For inadequacy in the number of supervisors, the clerks also are detained up to late hours and the public are required to wait at the counters for long especially in the savings bank counter. The Telegraph Establishment Enquiry Committee have laid down the standard that an office with 36 telegraphists should be in charge of a gazetted officer with three other supervisors to assist him. I strongly recommend this standard for adoption in the post office also.

Sir, it is not unknown to officers, including the officers of the Indian Civil Service, that it is almost a condition of their service that there should be proper facilities and provision for promotion within their services—and my friend, Mr. Lahiri Chaudhury, suggests that that would add to the efficiency of the services also. I know that, particularly on this ground alone, in Bengal the I. C. S. raised their protest against the abolition of the posts of Divisional Commissioners, and it weighed with the higher authorities. But when we bring these comparisons to the case of the poor Indian officials, the Audit Department as well as the higher officers forget about the iniquity of abolishing these selection grade posts. If a proper service is to be maintained with efficiency, there must be proper supervision for the promotion of officers who discharge their duty properly. By the drastic reduction of these selection grades posts, I believe they are really interfering with the conditions of service of these officers. It seems, as we have read in the Law College, "equity changes with the Chancellors' feet" and here also, when a particular Post Master General comes, the number of selection grade posts varies. I should like to emphasise that where there is not a Post Master General for a long period, justice is not done to the officers of the Circle. In comparison with the Bombay Circle the Bengal and Assam and the Bihar and Orissa suffered.

To keep the officers in the Department contented, if there cannot be proper provision for their promotion, at least it should be shown that there

[Mr. S. C. Mitra.]

is no inequality between officers of the same grade and with the same qualification in the different Provinces. So, I appeal to the Postal Department that they will see that though there may be occasional discrepancies, this very violent variation in the abolition of the posts, giving less scope for these officers in some of the Circles for promotion, should be done away with. Sir, I move.

Mr. Chairman (Sir Abdur Rahim): Cut motion moved:

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

Mr. Bhuput Sing (Bihar and Orissa: Landholders): There is a fact which I wish to bring to the notice of the Honourable Member in charge of the Department. In the posts of Rs. 250—350 grades in the Calcutta G. P. O., officials working outside Calcutta are being promoted. It is further reported that in the next ten years not a single official of the Calcutta G. P. O. in the grade of Rs. 160—250 will get promotion in the grade of Rs. 250—350. This will bring twofold difficulty, firstly, if all such responsible posts are filled up entirely by men working outside Calcutta, the tone of administration may deteriorate as these men are not supposed to be so useful in Calcutta as they are in mufassil. The men who are now being promoted are all Inspectors. Before the revision of 1920, these Inspectors used to be appointed on Rs. 60 and they had to pass through the stages, *viz.*, Rs. 80, Rs. 100, Rs. 100—150 and Rs. 150—250 before they were promoted in the grade of Rs. 200—300. They, therefore, could not be promoted into this grade without completing at least 25 years of service. But the situation altogether changed. After revision, the pay of these Inspectors was raised to Rs. 100—175. It was also ordered that even an Inspector who was drawing Rs. 60 on the 1st December, 1919, was to be considered senior to those who were appointed in the grade of Rs. 145—170 on or after that date. There was no Inspector in Calcutta and the selection grade officials in the grade of Rs. 145—170 were considered junior to them. This has given the Inspectors an advantageous position. Since September, 1927, the pay of Inspectors as well as of selection grade has been placed in one grade, *viz.*, Rs. 160—250. An official of mufassil, by rendering service of nine or ten years only, gets promotion in that grade, while in Calcutta no one gets promotion in the grade of Rs. 160—250 without completing at least 20 years' service. So the Inspectors are always in a favourable position as they get into the grade at an early stage of their service. If this is allowed to continue, the chance of promotion of the officials of the Calcutta G. P. O. will be blocked for ever. So, I hope the Government will kindly consider the matter to remove this anomaly and give chance to men working in Calcutta to get these posts in the grade of the Rs. 250—350.

Sir Thomas Ryan: Sir, the principle on which selection grade posts are created is a general one, that such posts should be sanctioned only where the work and responsibility justifies the pay; that principle was laid down by the Postal Committee of 1920, and it has been maintained ever since by the Government of India. There can be no very precise rule of thumb indicating what posts should and what should not be held to pass by that test. I do not think it necessarily follows that when retrenchment is in the air and when every possible economy is being made, it is entirely reasonable to expect that the retrenchment effected in one part of India should necessarily correspond exactly with what is happening in another place.

Mr. D. K. Lahiri Chaudhury: If the work is the same, why not adopt the same principle in all places.

Sir Thomas Ryan: The conditions vary from place to place and the conditions of work in Bombay are, I believe, in various respects different from the conditions in Calcutta, and I think it is quite natural that there should be difference in the numbers of selection grade posts. At the same time, I may say, this disparity is very striking.

Mr. D. K. Lahiri Chaudhury: Then, how does the Postmaster General of Calcutta differ from the Postmaster General of Bombay?

Sir Thomas Ryan: As far as I know, there is no such outstanding difference to justify a difference in the pay of these two particular posts. But there is, for example, a difference between the responsibilities and work of the Postmaster General of Bombay and that of the Postmaster General of the United Provinces which does justify a difference and it is recognised; however, as I say, we agree that the actual disparity is very striking in the number of selection grade posts in Bombay and Calcutta, and this question is already under examination. In these matters, we have to rely very largely on the judgment of the officers of the Department in charge of the different Circles, and I have repeatedly urged the representatives of the service associations who have spoken to me on this subject, to discuss these matters directly with the Postmasters General, who are always ready to discuss them, and if it is thought that a particular post was wrongly removed from the selection grade category, they are always ready to go into the matter. I am afraid that I must maintain that attitude. We have to reduce the selection grade posts as well as other posts where it can reasonably be done, and I am afraid I can devise no rule of thumb which will obviate the use of personal judgment.

I think there is a great deal of force in the observations made that in the case of Bengal and Assam, some inconvenience has resulted from the frequent changes of personnel there; it has been rather noticeable for the last couple of years, and I am afraid that even for a little longer that Circle may suffer from the same disability. The fact is that in staffing these high offices, where one has only a limited number of men who keep going on leave, and so on and so forth, frequent changes are inevitable. With regard to the immediate future, there are a large number of senior officers retiring from the Posts and Telegraphs Department in the near future and this trouble may continue a little longer, but certainly the objection to it will not be overlooked by Government, and they will do their best to ensure greater continuity in these offices so far as they can do so though they may not be able to do that in the very near future. Reference has been made to the circumstance that it is probable in the near future that certain upper selection grade posts in Calcutta will be filled up by men from outside Calcutta. Well, the existing scheme of promotion of these posts in the Department is that all the lower selection grade posts in a Circle are on one list for promotion to the upper selection grade. It does so happen that at the present time a number of the senior men on this list are outside Calcutta. So I think it is probable that what the Honourable Member apprehends will come about. But it may equally well happen some other time that senior men should be in the Calcutta office and will have the first claim on the score of seniority to any posts falling vacant even elsewhere. I am afraid, that is a kind of disparity which is the inevitable consequence of the system under which a number of different cadres are merged for the purpose of promotion to higher posts.

[Sir Thomas Ryan.]

Sir, I do not think I have much further to urge on the matter. As I said, the principal point made by my Honourable friend, Mr. Mitra, regarding the disparity between Bombay and Calcutta is being examined, although I do not necessarily admit that there must be an equality.

Mr. S. C. Mitra: Sir, the purpose of my motion has been served by drawing the attention of Sir Thomas Ryan to the matter, and I beg leave of the House to withdraw the motion.

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

Grievances of Railway Mail Service Employees.

Mr. S. C. Mitra: Sir, I move:

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

Sir, the purpose of my motion is not to censure Government in any way, but to draw the special attention of the Postal Authorities to the grievances of the mail sorters.

The grievances of the Railway Mail Service are manifold; their number is on the increase, and this is perhaps due to the apathy of the Postal Heads towards their Railway Mail Service staff and a policy of "aloofness" hitherto shown by them as regards the administration of Railway Mail Service. I am told that the heads of Circles, during the tenure of their office, seldom pay visits to Railway Mail Service mail offices and sections and enquire into the details and technique of the working, and the result is that they have to much depend on "office-notes" put up by the clerks of their office.

The main grievances, that I propose to deal with, are as follows:

(i) *Supply of insufficient accommodation to the Railway Mail Service Sections.*—I know of a mail van D3/D31, running between Delhi and Lahore via Bhatinda, which always remains overcrowded with bags, with little space for the sorters to stand much less to freely move and breathe. The same is the case with the mail van in the mail train from Howrah to Delhi and we see how packed these mail vans are with baggages. I am told there is no space for the proper sorting of mails, and yet the Punjab Circle office has not paid any attention to this. I wonder, how articles under such circumstances are correctly handled and reach their destination at all.

(ii) *Concentration of mails at one place and reducing the services, in order to effect savings in the establishment charges.*—The result is the indiscriminate dealing of mails. Centralisation in the Railway Mail Service lessens supervision and leads to congestion of mails, which, I should say, is harmful for correct and satisfactory sorting of mails. Not only this, to deal with heavy mails at one place within a limited time, extra staff and careful supervision is necessary. But, on the other hand, I find reduction of staff and slackening of supervision in the Railway Mail Service. The manner in which mails are transhipped at the Delhi Railway Station inspires amazement. If stoppage of trains is not sufficient to correctly load and unload mails, extra staff should be sanctioned for their correct examination within the limited time, or some other steps should be taken to set matters right.

(iii) *Reduction of Railway Mail Service Sets.*—The reduction of Railway Mail Service sets has been mostly effected by amalgamation of a number of Railway Mail Service sections resulting in the increase of the working hours of sorters. Sorting for continuously 10 or 12 hours in a running mail van at night not only puts great and tiring strain on the eyes of the officials concerned, but also seriously affects the health and longevity of sorters. But the reduction of Railway Mail Service sets has also been effected by placing novel interpretation of the terms "Night", "Partly night and partly day section" and "Running time of a section", and over-zealous heads of Circles have used their brains to interpret the Director-General's order in their own way. They have, in most cases, ignored the inclusion of platform attendance to the working hours of section, as also ignored the fact as to where the standard for transit sections are to be applied and where the standard for sorting sections. The sorters of D-31 section (so-called transit section) help, throughout their beat, the staff of D-3 section, with which it works, in the sorting of mails, and yet the D-3 section works in five sets and D-31 in four sets. I am told that previously both the sections were working in six sets. The staff of these sections, as of others similarly situated, are victims of wrong discretion and of incorrect interpretation of orders. Cases have also been brought to my notice that sections, the working hours of which exceed the prescribed maximum, have not been allowed additional sets, and I should cite as an instance the cases of M-16, O-2 and D-8 sections.

Then, there is another prayer of these men in the Railway Mail Service that Government should now consider amalgamating their cadre with the general cadre of postal officials. As a matter of fact, there are graduates and under-graduates who now enlist as Railway Mail sorters, and, after a certain age, it is difficult for them to do out-door work as efficiently as in their earlier years. So, if, in certain special cases, at least some of these Railway Mail sorters, after attaining a certain age and if otherwise found efficient, are transferred to the general postal service, that will greatly benefit these sorters.

Sir, as I have said before, it is not a motion for censuring Government, but merely to draw the special attention of the Director-General to the case of these Railway Mail sorters.

Sir, I move.

Mr. Chairman (Sir Abdur Rahim): Cut motion moved:

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

Mr. D. K. Lahiri Chaudhury: Sir, I rise to support the motion. I personally visited one of these mail vans while I was coming up from Howrah to Delhi, and I can tell it very frankly that it was with great difficulty that I got into the compartment. The doors were so narrow that I could hardly enter inside, and, even after I got in, I found that I could not stay there for more than five or six minutes. I was feeling suffocated in that hole,—I may call it a dungeon,—which was full of bags

[Mr D. K. Lahiri Chaudhury.]

with no moving space inside. Even the lavatory which is provided for these gentlemen, who work in that van, was blocked by the bags. Then I inquired how they could work in that little dungeon. They said they have to carry on the work for hours together. I was feeling very awkward all this time, being one of those who are privileged to travel in a first-class compartment. The whole room was stuffy and nothing better than a dungeon, and I thought it was a shame that the interests of the poor gentlemen who work there should be ignored in this way. So I hope the Honourable Member in charge will deal with this matter sympathetically and will take such action as will benefit them and give them some relief in the discharge of their duties.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir, considering the tremendous amount of work done in the R. M. S. and in the post offices, the huge amount of cash which the subordinate staff in the post offices and R. M. S. have to handle every day, it is desirable from the public point of view that there should be a larger percentage of selection grade supervisory appointments there, so that the right type of men with requisite experience and merit should constantly supervise and scrutinise the work of the subordinate staff to prevent any fraud or loss. It will certainly be known to Honourable Members that a great amount of confidence is placed in these subordinate R. M. S. and post office people. So their claims to higher appointments should be favourably considered by the Government.

Then I come to the case of the poor Inspectors of Post Offices and the R. M. S. and Superintendents and Head Clerks. As to these two appointments, that is, Inspectors of Post Offices and R. M. S. and Head Clerks of Superintendents of Post Offices, every one of us knows what services these lower staff of the Post Offices and R. M. S. render to the public. These Inspectors and Head Clerks have also to pass a departmental examination which, in many respects, I am told, is even stiffer than the examination prescribed for Superintendents. Now, the multifarious duties and responsibilities which these people have to perform are most onerous, and the Inspectors of Post Offices and R. M. S. are vested with the rules, the character and abilities of their subordinates, so as to be able efficiently to supervise their work and keep them under control. They have also to tour all round the year, even during the monsoons, during which period, I am sure, other officers of other Departments have not got to do that duty of travelling and touring. Considering this difficulty and considering their pay and emoluments, it is very strange that their claims are not so very much recognised and they are not considered fit enough to be given good emoluments or good allowances. They are practically in charge of the division at least for six months when the Superintendent is on tour. It is only with a view to removing their long standing grievances and disabilities that I am appealing to the Department to improve their conditions and to look to their grievances. Two of their chief grievances are that they have no good concessions in travelling allowance and their right of appeal is often curtailed in respect of penalties imposed on them by their Superintendents.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Sir, one of the biggest monopolies enjoyed by the State is under the head of Post Office and R. M. S., and I am glad to say that it is one of the most efficiently run Departments too. Every one will be thoroughly justified in paying his tribute of respect to the unfailing performance of duty by the postman who goes from door to door both in the villages and in towns. He does his work in all kinds of weather and under all sorts of difficulties. If he stands up for labour, then the postman is the person who deserves the respect and the sympathy of every one. But what is the treatment that has been meted out to this postman? He has suffered, because there are so many of them who draw in small amounts a large sum from the Exchequer. I will put my proposition shortly. The position is that, in other Departments, a limit has been fixed at Rs. 40 below which retrenchment cannot be operated; but there are only a few exceptions to it; one is the R. M. S. Department, where people drawing big salaries could produce by retrenchment probably a far greater saving without affecting such a large number of people than has been done by this economy campaign in the Post Office and the R. M. S. Department.

Sir Thomas Ryan: Sir, the Honourable the Mover of this motion has said that he has not moved this cut as a vote of censure, but rather to draw attention to certain disabilities under which the R. M. S. staff work. I am well aware that the work of a R. M. S. sorter is not entirely a happy one, and the conditions of work undoubtedly do involve a certain amount of rather unusual discomfort. To the best of our ability in the Department, we compensate the staff for that by fixing hours of work, specially for the moving sections, which are very much shorter than the hours for other men, and I think the working hours for a week are exceptionally short and the hours of rest are, as a rule, rather long. I do not know whether it is really the case, as Mr. Mitra believes, that Heads of Circles seldom visit the R. M. S. offices and vans, but I hope that they do so. Anyhow, I have always made it a point, when travelling, to spend a short time in the R. M. S. van to see for myself what are the conditions of work there, and I have found, as Mr. Mitra has observed, that sometimes the vans have been distinctly congested and at other times there was more room. Of course, I recognise that I share something with Mr. Lahiri Chaudhury which perhaps makes us both a little more sensitive to this complaint than others might be. The question of platform attendance being included in the hours of work has already been the subject of instructions from the Directorate and there have been complaints that the instructions are interpreted somewhat differently by different people; the matter is under investigation to make sure that there is no misunderstanding about it.

I do not think that Government can as a practical measure accept the proposal to amalgamate the R. M. S. cadre with the general cadre of the Post Office, and I feel that if they were to try to do so, Mr. Mitra and Mr. Lahiri Chaudhury would lose something of their well-deserved popularity with the general run of our postal staff.

I am very sorry I was unable to follow closely the observations made by my Honourable friend, Rai Bahadur Lala Brij Kishore, but I think what I can do probably to meet the views of the Mover of the motion is that I will have a copy of what has been said on this subject sent to each Head of Circle with a view to his seeing what he can do, consistently with the existing organisation, to improve the conditions of service of those people for whom I have a great deal of sympathy, and ask, if it is a fact—

[Sir Thomas Ryan.]

I think perhaps it is not quite accurate—that they do not themselves pay reasonably frequent personal visits to the R. M. S. offices and vans, that they should do so, because I think nothing but personal inspection will help to enable us to avoid all possible discomfort to the staff.

Mr. S. C. Mitra: Sir, my purpose having been served by drawing the attention of the Director-General to this matter, I beg leave of the House to withdraw my motion.

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

Protest against the appointment of the Postal Committee.

Mr. Muhammad Azhar Ali: Sir, I beg to move:

“That the demand under the head ‘Indian Posts and Telegraphs Department (including Working Expenses)’ be reduced by Rs. 100.”

Sir, at this late hour, I do not want to say much about the Postal Committee. I will only say this that the Government of India are always anxious to appoint Committees and Commissions for which the tax-payer has to pay through the nose as it were, and the gain to the poor tax-payer is not commensurate with the expenditure incurred on these Committees. Sir, during recent years, beginning from the Ryan Committee, a large number of Committees have been appointed, and they have made recommendations. In the year 1932-33, the Telegraph Establishment Inquiry Committee was appointed which cost the tax-payer nearly Rs. 34,000, and that Committee recommended reduction of expenditure not in telegraph traffic, but on the postal side, to the extent of nearly 20 lakhs per annum. Most of the recommendations of the Posts and Telegraphs Retrenchment Advisory Sub-Committee were honoured by the Government more in the breach than in the observance, so far as the telegraph side was concerned, but, on the postal side, not only were their recommendations promptly carried out, but more drastic measures were adopted

The Honourable Sir Frank Noyce: Will the Honourable Member tell me what recommendations of the Committee he is referring to when he says they were honoured more in the breach than in the observance. Is he referring to the recommendations of the Varma Committee?

Mr. Muhammad Azhar Ali: No, Sir, I am not referring to the Varma Committee.

The Honourable Sir Frank Noyce: Then which Committee is he referring to?

Mr. Muhammad Azhar Ali: I was referring to the Sir Cowasji Jehangir Committee. As I was saying, Sir, drastic measures of retrenchment in the subordinate staff in the Post Office and R. M. S. were only adopted on the Department's own initiative without consulting any Committee or the Service Unions concerned. The expenditure on the postal side, which was four crores and eighty seven thousand in 1930-31, has been reduced in 1934-35 to four crores fifty lakhs sixty five thousand and three hundred rupees. The following comparative statement compiled from the Budget

figures for 1930-31 and 1934-35 will show the number of posts in the various cadres in the Post Office and Railway Mail Service that have been reduced:

	1930-31.	1933-34.	No. Reduced
Postmasters, sorters, clerks, etc.	25,015	23,117	1,898
Postmen	31,460	28,314	3,146
Overseers, Menials, etc.	16,271	13,617	2,654
Inferior staff	12,846	11,842	1,004
Total	85,592	76,890	8,702

It will thus appear that during the period under discussion as many as 8,702 posts, that is to say, more than ten per cent of the entire staff in the Post Office and R.M.S. have been reduced. Besides, about 150 selection grade posts have been brought under reduction.

Sir, not content with this, they have decided to appoint another Inquiry Committee “to investigate and overhaul the methods of work adopted in the postal branch of the Posts and Telegraphs Department and the manner in which the strength of the various kinds of personnel required in that branch is determined”. This is really very funny. It was only in 1929 that the Government appointed a Committee which I may style as the “Bewoor-Mukerjee” Committee for that very purpose. Mr. G. V. Bewoor, I.C.S., then Postmaster General, who has now been appointed as the permanent Director-General of Posts and Telegraphs, for his unique ability and experience of Postal and R. M. S. work, in collaboration with another expert, Mr. Tara Pada Mukerjee, late General Secretary of the All-India (including Burma) Postal and R. M. S. Union, after a long and elaborate inquiry into the methods of work in the Post Office, Dead Letter Offices and the Railway Mail Service and the time-test which regulates the manner in which the strength of various kinds of personnel required is determined, submitted a unanimous Report on the Revision of the Time-Tests in the Post Office which was accepted by the Government. The recommendations made in the Report are, I find, based on most scientific principles and are a great advance on the previous time-tests which satisfied neither the administrative officers nor the staff. Are we to understand that the time-test, as revised by such undoubted experts, one of whom will be the head of the administration from the 1st April, 1934, has become antiquated within such a short time and needs overhauling, or do the Government mean to say that the report was inadequate and it was a blunder on their part to accept it? I state most emphatically, Sir, that the Committee is altogether unnecessary and will involve useless waste of the tax-payer's money. On the other hand, if there is a real need for such a Committee, it is for the re-organization of the Telegraph Engineering Branch which may be called a white elephant, but which has been left almost entirely untouched for reasons best known to Government.

[Mr. Muhammad Azhar Ali.]

Now, Sir, not being satisfied with the drastic surgical operations they have already performed on the postal side, they propose to appoint another surgical board to pursue the operations. This reminds me of a quack doctor who pulled out the teeth of a patient's friend who was hale and hearty. Sir, when these Committees are composed of officials and people of the Department alone, we on this side naturally take strong objections, but if Government had co-opted,—as they had done when the Secretary of the All-India Union was co-opted,—some non-officials, the public would have been satisfied. I do not see any reason why the tax-payer's money should be spent in this manner by appointing Departmental Committees after Committees. Therefore, my suggestion is that if Government are again thinking of appointing certain Committees, they ought to take the non-officials into their confidence. Because a few non-officials were put on the Sir Cowasji Jehangir Committee, the whole House had some confidence in their recommendations, and still we are trying to act up to those recommendations. In the same manner, I ask the Government, if they appoint such Departmental Committees, it will not do; on the other hand, if they will take a few non-officials into their confidence, it will satisfy the public and this side of the House. With these words, I place the motion before the House.

Mr. President (The Honourable Sir Shanmukham Chetty): Out motion moved:

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

The Honourable Sir Frank Noyce: Sir, my Honourable friend, Sir Thomas Ryan, and I have been subjected during the whole of today to a cross-fire from the Benches opposite. On the one hand, we have been subjected to criticism, because we have gone too far and too fast in the matter of retrenchment; on the other hand, we have been subjected to criticism, though, I must confess, that it has been less vocal than usual today,—may it be a presage of better times to come,—we have been subjected to the criticism that we have not economised enough. Sir, my friend, the Mover of this motion, has very cleverly combined both these criticisms, not in the speech which he just delivered, taken by itself, but in that speech combined with the one which he delivered yesterday, I think, in which he drew our attention to the magnificent results obtained by the British Post Office and asked why we could not imitate those results in this country.

Well, Sir, it is just because we want to do better that we are appointing the Committee to which he objects. I think it is correct to say that there has not yet been a Committee exactly of this kind. There have been Postal Committees which have investigated various aspects of postal organisation and postal methods of work, but there has been no Committee so far which has investigated the whole field, and it is because they feel that the methods of the Postal Department, whether you describe it as a public utility department or as a commercial department, require overhauling that the Government have appointed this Postal Enquiry Committee.

My Honourable friend, Mr. Azhar Ali, objects to the Committee on the ground that it is a waste of the tax-payer's money. He brought forward the extremely curious argument that the report of the Committee which went into telegraph matters cost Rs. 34,000 and that it made recommendations which, if accepted, would save Rs. 20 lakhs annually. I submit for

the consideration of this House that, if the results of the investigations of that Committee would save even one lakh a year, that would be a good investment for Rs. 34,000. It does seem to me an amazing argument to bring against the appointment of this Committee. What is at the back of my Honourable friend's mind is that this Committee may lead to more wholesale retrenchment. I think, I can reassure him to some extent on that point. It is not another Postal Retrenchment Committee. We have had our Postal Retrenchment Committee. There, again, if I heard my Honourable friend correctly, he made the extraordinary statement that Government had not accepted the recommendations of the Committee presided over by Sir Cowasji Jehangir. If that is so, I cannot but think that he must have been absent from this House for a considerable part of the day, for it has been stated from these Benches more than once that those recommendations were accepted practically in their entirety. But in any case my point is that this Committee is not of the kind presided over by Sir Cowasji Jehangir. I should describe it myself not as a Postal Enquiry Committee, or a Postal Retrenchment Committee, but as a Postal Efficiency Committee. Its object is to discover in what way the work of the Postal Department can be made more efficient. As we said in the memorandum which we put before the Standing Finance Committee,—and I would remind the House that the proposal to appoint this Committee has been approved by the Standing Finance Committee—we hope that its appointment will result in substantial economies. But I think it is fair to say that substantial economies do not necessarily mean substantial reduction in personnel; we hope that the results of this enquiry will lead to the utilisation of the personnel to the best advantage and be such as will enable us to reduce our postal rates substantially, and, by so doing, to secure an increased traffic which will absorb any personnel that may be thrown out of its present occupation by the adoption of more efficient methods.

My Honourable friend, Mr. Azhar Ali, has objected to the fact that no non-officials are being included on this Committee. It is a purely Departmental Committee, because the subjects that it will deal with are, very technical indeed. I would suggest to any of my Honourable friends, who think that we ought to have appointed a non-official Committee or at any rate included non-officials on it, to read the report of the Varma Committee. I can assure them that they will need a wet towel round their heads if they wish to follow it. Matters of the kind dealt within it require a lifetime of experience to understand and they must be investigated by technical men.

Sir Cowasji Jehangir: I presume that the Rs. 60,000 represents really the pay of the officers who will be members of the Committee. It is a big sum of money if only officials are to be members of the Committee. I presume that the pay of the officials is included in that amount.

The Honourable Sir Frank Noyce: I am not quite sure whether I heard my Honourable friend correctly. I think I said that the cost of the Varma Committee was Rs. 34,000.

Sir Cowasji Jehangir: But the Honourable Member is asking for Rs. 60,000 for this new Committee.

The Honourable Sir Frank Noyce: It is a bigger Committee, and I am not quite sure how the numbers compare with those of the Varma Committee, but my Honourable friend will understand that the postal branch is a very much bigger one than the telegraph branch, and that it will take longer to make the investigation.

Sir Cowasji Jehangir: My Honourable friend has misunderstood me. Certain officials will serve on this Committee. Does this Rs. 60,000 include their pay, or will their pay be extra to this Rs. 60,000?

The Honourable Sir Frank Noyce: I beg your pardon. It does include their pay. They will have to be placed on special duty obviously for this purpose, and Rs. 60,000 covers the whole cost of their pay and all expenses connected with the Committee even to the printing of their report.

Mr. B. V. Jadhav: Will the work of this Committee be finished within one year?

The Honourable Sir Frank Noyce: We are allowing six months; we hope it may take less than six months; but it is possible it may take longer. In any case, the Government will urge upon the President of the Committee the necessity for completing the investigations within that period. As regards the results of the Committee's work, all I would add is that those, who, like my Honourable friend, Mr. Mitra, fear that it may lead to wholesale retrenchment, ought to be reassured by the statement that my Honourable friend, Sir Thomas Ryan, has made in regard to the manner in which he has dealt with the Varma Committee's report. The recommendations of that report have been examined by him in close consultation with the two Associations most affected by them which are in the best position to say how they would work, and I have no doubt whatever that Sir Thomas Ryan's successor—it is a matter of the deepest regret to me that Sir Thomas Ryan will not be here to deal with the report himself—I have no doubt that his successor will deal with the report of this Committee in the same manner in which he has dealt with the Varma Committee's Report.

Mr. B. V. Jadhav: May I know whether the Chairman of this Committee will be an officer who will soon retire?

The Honourable Sir Frank Noyce: On that point I would say that the personnel of the Committee will be made public in the course of the next few days and I trust that it will meet with the approval of this House. We have done our best to secure the best and the most experienced officers we can for this important work.

I think, Sir, that is all I need say. Before I sit down, I should just like to say a word, as this is the last opportunity probably that I shall have to speak this afternoon, about some remarks which fell from my Honourable friend, Mr. Mitra. He accused me of not being very well acquainted with the details of work of the most important Department in my charge. Well, I can only say that I have done the best I could during the last two years to learn all I could from almost daily consultations with Sir Thomas Ryan, and I can tell Mr. Mitra that I have learnt a tremendous lot from him

Mr. S. C. Mitra: I did not mean it seriously.

The Honourable Sir Frank Noyce: I was endeavouring to reply to my Honourable friend in the spirit in which his remarks were made. I should like to say that I have learnt a lot from him and that an examination of the many questions that he has put during the last two years has given me a thorough grounding in certain aspects of the work of the Department. I can only hope that I have convinced the House that the appointment of this Committee is desirable and that, from the point of view of Government and from that of the tax-payers, it should prove an extremely good investment.

Mr. Muhammad Azhar Ali: I am very much indebted to my Honourable friend, Sir Frank Noyce, for his remarks about me, but my object has been served in a way. We on this side of the House have come to know what we did not know before, that this Committee will have a nominated President and that there will be some official members and that the personnel will be announced hereafter. Then, also, about the expenditure, it has been stated that it will include the pay of the officers and that officers of the Department will be transferred to serve on it, but I have not heard anything from my Honourable friend about the non-officials about whom I said something in my remarks.

The Honourable Sir Frank Noyce: I regret that the Honourable Member did not hear my remarks. I endeavoured to explain as clearly as I could the reason why this Committee had to be a purely Departmental Committee, that reason being that it has to deal with highly technical matters for the examination of which it is necessary to have men who have had a lifelong acquaintance with the work of the Postal Department, which they will be called upon to investigate.

Mr. Muhammad Azhar Ali: If this Committee is to be a Departmental Committee, it is our good luck that we have learnt about it. The whole field of the post office working will be investigated by this Committee. We do not know whether somebody from Europe is to come as adviser on this technical Committee.

The Honourable Sir Frank Noyce: The Honourable Member is endeavouring to extract information from me. I have promised that the personnel of the Committee will be published in the course of the next few days, but I can assure him now that nobody is coming from Europe to be a member of it.

Mr. Muhammad Azhar Ali: In view of this statement, I beg leave of the House to withdraw my motion.

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

Measures of Earthquake Relief for Postal and Railway Mail Service Staff in North Bihar.

Mr. D. K. Lahiri Chaudhury: Sir, I move:

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

I want to discuss the measures of earthquake relief for Postal and Railway Mail Service staff in North Bihar. Sir, the time at my disposal is very short and I shall be very brief. The matter is very small, but it

[Mr. D. K. Lahiri Chaudhury.]

is of great importance. I think the House will realise that every help ought to be given to the people in Bihar, who have suffered a great loss in the recent devastating earthquake. I come to learn from the Honourable Member in charge that the Director-General has very generously contributed to the fund which has been started by the Postal and R.M.S. Union and instruction has already been issued to help the poor sufferers who serve in the Postal and Telegraph Department by a grant of three months' pay. That relief is not sufficient, but still something has been done. I would draw the attention of the Honourable Member to the fact that these poor people, who have lost their hearths and homes and lost their families and children, may not be able to pay this sum. I suggest that this three months' pay should be treated as a non-recoverable amount and that it should be treated as a bonus. It is some kind of loan now. In reply to a question by Mr. Mitra, the Army Secretary told this House that, with the approval of the Governor General in Council, the salary cut was not applied in the case of some soldier clerks in the Army Department. I hope that that policy will be followed in the case of Bihar which has been devastated by the earthquake. This is the object of my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Cut motion moved:

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

Sir Thomas Ryan: The Honourable Member has rightly said that the lot of the persons affected by the earthquake in Bihar has the sympathy of all Members of this House—not least of Members on this side—and I am glad to be able to assure the House that every effort was made and is still being made by the superior staff in the Postal and Telegraph Department in Bihar and Orissa to see that everything possible for the relief of these people has been done. I am glad that I was able lately to have a conversation with the officer who was in charge of the Circle at the time of the earthquake disaster and shortly after, and he showed me a personal letter; perhaps I may be excused for quoting his private correspondence. It was a letter from the General Secretary of the All-India Postal and R.M.S. Union acknowledging in very handsome terms the efforts which he and his staff had made. The principle which we have followed in the matter of relief is to make sure that our staff are getting the same treatment that the Local Government are extending to their own staff. Whether the measures of relief which could be sanctioned were generous or otherwise is a matter of opinion. Obviously when a very large number of people are affected, various considerations come into play. I made it certain at least that my staff were getting the same measure of relief, even in anticipation of official sanction, as the Local Government officials.

Mr. Lahiri Chaudhury now suggests that some further, he thinks not a very great measure of further, consideration should be extended to them. I do not know exactly what reception that would get from the Finance Department which would obviously have to be consulted specifically before I could say that it could be agreed to or otherwise, but I think also it would be quite essential for us to make sure that it would not embarrass in any way the Local Government's efforts to give what might even

seem a small measure of further consideration to our staff: as obviously it would be inconvenient if we were treating our people in a way which they might not be able to afford in respect of their very much larger number of officials. But subject to those remarks, the suggestion that has been made will be taken into immediate consideration, and I shall find out whether it would in fact be likely to be regarded as embarrassing by the Local Government, and, if they say no, then I shall put the matter before the Head of my Department who, I have no doubt, will consult the Finance Department on the subject; and, if we fail to do exactly what Mr. Lahiri Chaudhury suggests, that will certainly not be due to any want of sympathy or consideration. These concessions have to be considered in relation to a very large number of people, and we have to consider the Local Government's views in respect of them. I do not know whether any purpose will be served by giving

Mr. D. K. Lahiri Chaudhury: The conditions of service of the servants of the Provincial Government and of the postal services should also be considered.

Sir Thomas Ryan: Of course various things can be said about the conditions of service. The special conditions of service of our staff employed in Bihar and Orissa were represented very strongly to me by the All-India Union, and it was represented that our men were working harder and more continuously than others.

Now, while I certainly have no desire to belittle the work of the Posts and Telegraphs staff, I doubt whether in the conditions, prevailing immediately after the earthquake, they could have been working even harder than the local medical staff, the police staff, and so on, but these comparisons are odious and I am sure that every one has been working his utmost. I doubt, Sir, whether I can usefully add to these remarks.

Mr. D. K. Lahiri Chaudhury: Sir, I beg leave of the House to withdraw my motion.

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

Wynad Allowances.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadian Rural): Sir, although there is only one minute for the guillotine, yet in view of the importance of the subject, I wish to move my motion. I move:

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

Sir, when I moved this cut last year, you will remember that the Honourable Member not only expressed his sympathy, but promised to give effect to my proposal if the financial consequences were not heavy. Sir, a year has rolled by since then and the promised effect has not yet been given. Sir, it is a very vital matter which affects the health and happiness of the postal services in the Wynad and, in the interests of that service, I urge that the earlier the proposals made are adopted, the better.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

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

The motion was negatived.

(It being Five of the Clock.)

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 9,95,66,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Indian Posts and Telegraphs Department (including Working Expenses)'."

The motion was adopted.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 20,28,000 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, 1935, in respect of 'Interest on Debt and Reduction or Avoidance of Debt'."

The motion was adopted.

DEMAND No. 26.—INTEREST ON MISCELLANEOUS OBLIGATIONS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 56,55,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,31,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Staff, Household and Allowances of the Governor General'."

The motion was adopted.

DEMAND No. 29.—COUNCIL OF STATE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,05,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Council of State'."

The motion was adopted.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 6,86,000 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, 1935, in respect of 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

DEMAND No. 31.—FOREIGN AND POLITICAL DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 8,01,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Foreign and Political Department'."

The motion was adopted.

DEMAND No. 32.—HOME DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 5,79,000 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, 1935, in respect of 'Home Department'."

The motion was adopted.

DEMAND No. 33.—PUBLIC SERVICE COMMISSION.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,62,000 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, 1935, in respect of 'Public Service Commission'."

The motion was adopted.

DEMAND No. 34.—LEGISLATIVE DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 2,94,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Legislative Department'."

The motion was adopted.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 5,77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Department of Education, Health and Lands'."

The motion was adopted.

DEMAND No. 36.—FINANCE DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 9,38,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Finance Department'."

The motion was adopted.

DEMAND No. 38.—COMMERCE DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 3,65,000 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, 1935, in respect of 'Commerce Department'."

The motion was adopted.

DEMAND No. 40.—DEPARTMENT OF INDUSTRIES AND LABOUR.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Department of Industries and Labour'."

The motion was adopted.

DEMAND No. 41.—CENTRAL BOARD OF REVENUE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,89,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Central Board of Revenue'."

The motion was adopted.

THE GENERAL BUDGET—LIST OF DEMANDS.

DEMAND No. 42.—PAYMENTS TO PROVINCIAL GOVERNMENTS ON ACCOUNT OF ADMINISTRATION OF AGENCY SUBJECTS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Payments to Provincial Governments on account of Administration of Agency Subjects'."

The motion was adopted.

DEMAND No. 43.—AUDIT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 90,89,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 44.—ADMINISTRATION OF JUSTICE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 53,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Administration of Justice'."

The motion was adopted.

DEMAND No. 45.—POLICE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,89,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Police'."

The motion was adopted.

DEMAND No. 46.—PORTS AND PILOTAGE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 11,42,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Ports and Pilotage'."

The motion was adopted.

DEMAND No. 47.—LIGHTHOUSES AND LIGHTSHIPS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 9,15,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Lighthouses and Lightships'."

The motion was adopted.

DEMAND No. 48.—SURVEY OF INDIA.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 18,82,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Survey of India'."

The motion was adopted.

DEMAND No. 49.—METEOROLOGY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 18,20,000 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, 1935, in respect of 'Meteorology'."

The motion was adopted.

DEMAND No. 50.—GEOLOGICAL SURVEY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,88,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Geological Survey'."

The motion was adopted.

DEMAND No. 51.—BOTANICAL SURVEY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,47,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Botanical Survey'."

The motion was adopted.

DEMAND No. 52.—ZOOLOGICAL SURVEY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 87,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Zoological Survey'."

The motion was adopted.

DEMAND No. 53.—ARCHÆOLOGY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 9,04,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Archæology'."

The motion was adopted.

DEMAND No. 54.—MINES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a 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, 1935, in respect of 'Mines'."

The motion was adopted.

DEMAND No. 55.—OTHER SCIENTIFIC DEPARTMENTS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 2,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Other Scientific Departments'."

The motion was adopted.

DEMAND No. 56.—EDUCATION.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 5,85,000 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, 1935, in respect of 'Education'."

The motion was adopted.

DEMAND No. 57.—MEDICAL SERVICES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 6,16,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Medical Services'."

The motion was adopted.

DEMAND No. 58.—PUBLIC HEALTH.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 6,80,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Public Health'."

The motion was adopted.

DEMAND No. 59.—AGRICULTURE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 9,25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Agriculture'."

The motion was adopted.

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

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Imperial Council of Agricultural Research Department'."

The motion was adopted.

DEMAND No. 61.—CIVIL VETERINARY SERVICES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 6,79,000 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, 1935, in respect of 'Civil Veterinary Services'."

The motion was adopted.

DEMAND No. 62.—INDUSTRIES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,64,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Industries'."

The motion was adopted.

DEMAND No. 63.—AVIATION.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 13,90,000 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, 1935, in respect of 'Aviation'."

The motion was adopted.

DEMAND No. 64.—COMMERCIAL INTELLIGENCE AND STATISTICS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 5,02,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Commercial Intelligence and Statistics'."

The motion was adopted.

DEMAND No. 65.—CENSUS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 3,000 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, 1935, in respect of 'Census'."

The motion was adopted.

DEMAND No. 66.—EMIGRATION—INTERNAL.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Emigration—Internal'."

The motion was adopted.

DEMAND No. 67.—EMIGRATION—EXTERNAL.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,84,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Emigration—External'."

The motion was adopted.

DEMAND No. 68.—JOINT STOCK COMPANIES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,15,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Joint Stock Companies'."

The motion was adopted.

DEMAND No. 69.—MISCELLANEOUS DEPARTMENTS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 6,65,000 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, 1935, in respect of 'Miscellaneous Departments'."

The motion was adopted.

DEMAND No. 70.—INDIAN STORES DEPARTMENT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 5,69,000 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, 1935, in respect of 'Indian Stores Department'."

The motion was adopted.

DEMAND No. 71.—CURRENCY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 50,01,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Currency'."

The motion was adopted.

DEMAND No. 72.—MINT.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 13,90,000 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, 1935, in respect of 'Mint'."

The motion was adopted.

DEMAND No. 73.—CIVIL WORKS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,89,85,000 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, 1935, in respect of 'Civil Works'."

The motion was adopted.

DEMAND No. 74.—SUPERANNUATION ALLOWANCES AND PENSIONS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,00,09,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Superannuation Allowances and Pensions'."

The motion was adopted.

DEMAND No. 75.—STATIONERY AND PRINTING.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 33,43,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Stationery and Printing'."

The motion was adopted.

DEMAND No. 76.—MISCELLANEOUS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 6,36,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Miscellaneous'."

The motion was adopted.

DEMAND No. 76-A.—EXPENDITURE ON RETRENCHED PERSONNEL CHARGED TO REVENUE.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 2,19,000 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, 1935, in respect of 'Expenditure on Retrenched Personnel charged to Revenue'."

The motion was adopted.

DEMAND No. 76-B.—MISCELLANEOUS ADJUSTMENTS BETWEEN THE CENTRAL AND PROVINCIAL GOVERNMENTS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 2,14,14,000 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, 1935, in respect of 'Miscellaneous Adjustments between the Central and Provincial Governments'."

The motion was adopted.

DEMAND No. 77.—REFUNDS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,05,04,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Refunds'."

The motion was adopted.

DEMAND No. 79.—BALUCHISTAN.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 25,76,000 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, 1935, in respect of 'Baluchistan'."

The motion was adopted.

DEMAND No. 80.—DELHI.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 42,59,000 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, 1935, in respect of 'Delhi'."

The motion was adopted.

DEMAND No. 81.—AJMER-MERWARA.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a 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, 1935, in respect of 'Ajmer-Merwara'."

The motion was adopted.

DEMAND No. 82.—ANDAMANS AND NICOBAR ISLANDS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 29,07,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Andamans and Nicobar Islands'."

The motion was adopted.

DEMAND No. 83.—RAJPUTANA.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 4,12,000 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, 1935, in respect of 'Rajputana'."

The motion was adopted.

DEMAND No. 84.—CENTRAL INDIA.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 3,41,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Central India'."

The motion was adopted.

DEMAND No. 85.—HYDERABAD.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 41,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Hyderabad'."

The motion was adopted.

DEMAND No. 85-A.—ADEN.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 6,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Aden'."

The motion was adopted.

DEMAND No. 86.—EXPENDITURE IN ENGLAND—SECRETARY OF STATE FOR INDIA.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 21,87,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Expenditure in England—Secretary of State for India'."

The motion was adopted.

DEMAND No. 87.—EXPENDITURE IN ENGLAND—HIGH COMMISSIONER FOR INDIA.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 24,80,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Expenditure in England—High Commissioner for India'."

The motion was adopted.

DEMAND No. 88.—CAPITAL OUTLAY ON SECURITY PRINTING.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Capital Outlay on Security Printing'."

The motion was adopted.

DEMAND No. 89.—FOREST CAPITAL OUTLAY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Forest Capital Outlay'."

The motion was adopted.

DEMAND No. 90.—IRRIGATION.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Irrigation'."

The motion was adopted.

DEMAND No. 91.—INDIAN POSTS AND TELEGRAPHS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 39,68,000 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, 1935, in respect of 'Indian Posts and Telegraphs'."

The motion was adopted.

DEMAND No. 93.—CAPITAL OUTLAY ON CURRENCY NOTE PRESS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Capital Outlay on Currency Note Press'."

The motion was adopted.

DEMAND No. 94.—CAPITAL OUTLAY ON VIZAGAPATAM HARBOUR.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 18,43,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Capital Outlay on Vizagapatam Harbour'."

The motion was adopted.

DEMAND No. 95.—CAPITAL OUTLAY ON LIGHTHOUSES AND LIGHTSHIPS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Capital Outlay on Lighthouses and Lightships'."

The motion was adopted.

DEMAND No. 96.—COMMUTED VALUE OF PENSIONS.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 24,11,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Commuted Value of Pensions'."

The motion was adopted.

DEMAND No. 96-A.—EXPENDITURE ON RETRENCHED PERSONNEL CHARGED TO CAPITAL.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of 'Expenditure on Retrenched Personnel charged to Capital'."

The motion was adopted.

DEMAND No. 97.—DELHI CAPITAL OUTLAY.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 67,67,000 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, 1935, in respect of 'Delhi Capital Outlay'."

The motion was adopted.

DEMAND No. 98.—INTEREST-FREE ADVANCES.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 64,98,000 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, 1935, in respect of 'Interest-free Advances'."

The motion was adopted.

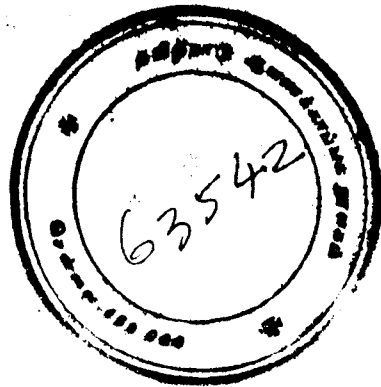
DEMAND No. 99.—LOANS AND ADVANCES BEARING INTEREST.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That a sum not exceeding Rs. 8,33,03,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1935, in respect of Loans and Advances bearing Interest."

The motion was adopted.

The Assembly then adjourned till eleven of the Clock on Monday, the 12th March, 1934.



D

V2, 31 N34

N34.2

[Sir Frank Noyce.]

suggestions. The fact that this Bill is limited to the continuance of the Act in its present form should not be taken to mean that we have rejected proposals for change. The position, as the House knows, is that legislative business this Session is very heavy and this has made it almost impossible for us to ask the House to consider further amendments to this measure during the present Session. The Act is due to expire on the 7th May and we could not, therefore, defer our proposals to a later date, but, if the present Bill is passed, the other proposals will be carefully examined with a view to considering what further amendments are required in the main Act. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill to extend the operations of the Trade Disputes Act, 1929."

The motion was adopted.

The Honourable Sir Frank Noyce: I introduce the Bill.

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 further to amend the Cotton Textile Industry (Protection) Act, 1930.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That leave be given to introduce a Bill further to amend the Cotton Textile Industry (Protection) Act, 1930."

The motion was adopted.

The Honourable Sir Joseph Bhore: I introduce the Bill.

The Honourable Sir Joseph Bhore: I move:

"That the Bill further to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration."

The reasons for this measure are explained in detail in the Statement of Objects and Reasons, and I need only add that, before I took the step of introducing this measure, I consulted the Leaders of all Parties and I have taken the action I have done with their full concurrence. Sir, I move.

THE COTTON TEXTILE INDUSTRY (PROTECTION) AMENDMENT BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill further 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: I move:

"That the Bill be passed."

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill be passed."

The motion was adopted.

THE RESERVE BANK OF INDIA BILL.

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

"That the amendments made by the Council of State in the Bill to constitute a Reserve Bank of India be taken into consideration."

The House has already had these amendments read to it by the Secretary when he announced the action taken by the Council of State and I think that, from their attitude on that occasion, one may judge that they realised that these amendments were purely of a formal nature. In most cases they are merely the correction of verbal errors in the original Bill and in one case they make the intention of the original clause more clear. I think, therefore, that no explanation is required from me, and I hope that this Assembly today will put its final seal on a measure which will be in the interests of India. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the amendments made by the Council of State in the Bill to constitute a Reserve Bank of India be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in sub-clause (1) of clause 1, for the figures '1933' the figures '1934' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the proviso to sub-clause (c) of clause 2, for the word 'society' it last occurs, the word 'bank' be substituted."

The motion was adopted.